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Securities code: 6262

June 4, 2026

Commencement date of measures for electronic provision: May 28, 2026

To Shareholders with Voting Rights:

Shigemi Mima
Representative Director and President
PEGASUS CO., LTD.
5-7-2, Sagisu, Fukushima-ku, Osaka,
Japan

**NOTICE OF
THE 80th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 80th Annual General Meeting of Shareholders (the “Meeting”) of PEGASUS CO., LTD. (the “Company”) will be held as described below.

When convening the Meeting, the Company has taken measures for electronic provision and has posted matters subject to measures for electronic provision on the following website on the Internet.

The Company’s website (<https://www.pegasus.co.jp/en/ir/kabuinfo.html>)

In addition to the above, those matters are also posted on the following website on the Internet.

Tokyo Stock Exchange’s website (Tokyo Stock Exchange Listed Company Search)

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

Please enter the Company’s name or securities code and click “Search,” and then select “Basic information” followed by “Documents for public inspection/PR information” for your reference.

If you are unable to attend the Meeting, please exercise your voting rights in advance via postal mail or the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision, and exercise your voting rights by June 22, 2026 (Monday) at 5:30 p.m. (the end of our business hours, Japan time).

*** Please note that souvenirs will not be provided to attendees.**

- 1. Date and Time:** Tuesday, June 23, 2026 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m.)
- 2. Venue:** The Ball Room A, 10th Floor, Hotel Hanshin Osaka, located at 5-6-16,
Fukushima, Fukushima-ku, Osaka, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 80th Fiscal Year (April 1, 2025 – March 31, 2026) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 80th Fiscal Year (April 1, 2025 – March 31, 2026)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Six (6) Directors
- Proposal 3:** Election of Two (2) Audit & Supervisory Board Members
- Proposal 4:** Election of One (1) Substitute Audit & Supervisory Board Member
- Proposal 5:** Introduction of Restricted Stock Remuneration Plan for Directors
(Excluding External Directors)
- Proposal 6:** Continuation of the Response Policy Concerning Large-Scale Acquisitions of the Company's Share Certificates, Etc. in Response to the Large-Scale Purchase of the Company's Shares by Be Brave Co., Ltd.
- 4. Matters Decided in Connection with this Convocation**
- (1) If a shareholder submits a voting form without indicating his/her approval or disapproval with respect to each item, such vote shall be counted as an approval.
 - (2) If a shareholder intends to split his/her vote, such shareholder must inform the Company of his/her intention to split his/her vote and the reason therefor via the Internet or in writing at least three (3) days prior to the date of the Meeting.

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- Among the matters to be provided in the documents describing the matters subject to measures for electronic provision, the following matters are posted on the websites mentioned above in accordance with provisions of laws and regulations as well as Article 14 of the Company's Articles of Incorporation and therefore are not provided in the paper copy to be delivered to shareholders who have requested it.
- (1) "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
 - (2) "Notes to Non-consolidated Financial Statements" of the Non-consolidated Financial Statements
- Accordingly, the information contained in the documents describing the matters subject to measures for electronic provision is a part of the documents that were audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparation of their respective audit reports.
- Should the matters subject to measures for electronic provision require revisions, the revised versions will be posted on each website on which the matters are posted.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

To implement management that is conscious of cost of capital and stock prices, the Company follows a basic policy of appropriating surplus by comprehensively considering its financial position and capital efficiency, in line with its balance sheet management policy of simultaneously maximizing returns and minimizing invested capital, with the aim of providing ample profit distributions to all shareholders. In accordance with this basic policy, the Company hereby proposes an appropriation of surplus as follows.

Year-end dividend:

1. Type of dividend property
Cash
2. Matters concerning allocation and total amount of dividend property
The Company proposes to pay ¥20 per share of the Company's common stock.
In this case, the total amount of the dividends is ¥478,830,480.
3. Effective date of dividend from surplus
June 24, 2026

Proposal 2: Election of Six (6) Directors

The terms of office of all the six (6) Directors will expire at the conclusion of the Meeting. Accordingly, the Company proposes the election of six (6) Directors. If this proposal is approved as originally proposed, three (3) out of the six (6) Directors of the Company will be External Directors. The candidates for Directors are as described below.


No.	Name	Current positions at the Company
1	[Reappointment] Shigemi Mima	Representative Director and President
2	[Reappointment] Yoshihide Okada	Senior Managing Director
3	[Reappointment] Masamichi Mima	Managing Director
4	[Reappointment] [External] [Independent] Norio Kotaka	External Director
5	[Reappointment] [External] [Independent] Chika Tanaka	External Director
6	[Reappointment] [External] [Independent] Kiyokazu Sugiyama	External Director

[Policies and procedures for nominating Director candidates]


In nominating Director candidates, the Company conducts comprehensive deliberation from the perspectives of precise and prompt decision-making and placement of most appropriate human resources to most appropriate positions. The Company believes that it is necessary to nominate candidates with a focus on human resources who understand and put into practice our corporate philosophy and will contribute to its future sustainable growth.


The “Nomination and Remuneration Committee” submits election of Directors to the Board of Directors for its approval.


No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
1	 <p>Shigemi Mima (May 4, 1968) [Reappointment]</p>	<p>March 1996 Joined the Company April 2001 President of PEGASUS SEWING MACHINES (HONG KONG) LTD. October 2003 General Manager of Sales Department of the Company June 2005 Director of the Company June 2008 Senior Executive Officer of the Company September 2010 Representative Director and President of MIMA SEIKI CO., LTD. June 2012 Director and Executive Officer of the Company August 2012 Vice Chief of Manufacturing Headquarters of the Company April 2015 Representative Director and President of the Company June 2016 Representative Director, President and Executive Officer of the Company (current position) July 2017 Chairman of PEGASUS VIETNAM SEWING MACHINE CO., LTD. (current position) October 2019 Chairman of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD. June 2021 Chairman of NANTONG PEGASUS AUTO PARTS MFG. CO., LTD. September 2021 Representative Director and President of MIMA SEIKI CO., LTD. April 2024 Representative Director and Chairman of MIMA SEIKI CO., LTD.</p> <p>[Significant concurrent positions] • Chairman of PEGASUS VIETNAM SEWING MACHINE CO., LTD.</p>	649,300
<p>[Reason for nomination as candidate for Director] Mr. Shigemi Mima has successively held positions as General Manager of the Sales Department, Officer in charge of manufacture, President of a sales subsidiary, and President of manufacturing subsidiary. He has been involved in the management of the Company since assuming office as Director in 2012. He has a high level of expertise in both sales and manufacturing in the apparel machinery business, the core business of the Group, and has demonstrated outstanding leadership in areas such as strengthening the production system in the automotive business. The Company nominates him as a candidate for Director in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
2	 <p data-bbox="215 846 427 913">Yoshihide Okada (August 26, 1963)</p> <p data-bbox="225 943 418 976">[Reappointment]</p>	<p data-bbox="475 275 1246 338">April 1986 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p data-bbox="475 338 1246 400">February 2004 General Manager of Financial Department of the Company</p> <p data-bbox="475 400 1246 495">July 2014 Vice Chief of Administrative Headquarters and General Manager of General Affairs Department of the Company</p> <p data-bbox="475 495 1082 528">September 2014 Executive Officer of the Company</p> <p data-bbox="475 528 1161 562">July 2017 Senior Executive Officer of the Company</p> <p data-bbox="475 562 1209 624">July 2018 President of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD.</p> <p data-bbox="475 624 1230 658">June 2019 Director and Executive Officer of the Company</p> <p data-bbox="475 658 1230 721">June 2021 Managing Director and Executive Officer of the Company</p> <p data-bbox="475 721 1190 784">June 2022 Chief of Manufacturing Headquarters of the Company</p> <p data-bbox="475 784 1203 817">June 2023 Managing Executive Officer of the Company</p> <p data-bbox="475 817 1246 911">June 2024 Senior Managing Director and Executive Officer (current position) and Chief of Apparel Machinery Headquarters of the Company</p> <p data-bbox="475 911 1214 974">August 2024 Chairman of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD. (current position)</p> <p data-bbox="475 974 1206 1037">April 2025 Senior Managing Executive Officer of Administrative Headquarters of the Company</p> <p data-bbox="475 1037 1190 1099">April 2026 Chief of Administrative Headquarters of the Company (current position)</p> <p data-bbox="475 1099 1257 1193">April 2026 Senior Managing Executive Officer of Apparel Machinery Headquarters of the Company (current position)</p> <p data-bbox="475 1193 1225 1288">[Significant concurrent positions] • Chairman of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD.</p>	16,600
<p data-bbox="193 1301 759 1335">[Reason for nomination as candidate for Director]</p> <p data-bbox="193 1335 1458 1597">Mr. Yoshihide Okada has successively held positions as General Manager of the Financial Department and General Manager of the General Affairs Department of the Company. He was involved in the Company's management as Director for four years beginning in June 2019, and has resumed this role since June 2024. He has a high level of insight to supervise sales, manufacture, and general administration in his role as President of a manufacturing and sales subsidiary in China and has abundant experience suitable for executing global management. The Company nominates him as a candidate for Director in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
3	 <p>Masamichi Mima (January 7, 1970) [Reappointment]</p>	<p>April 2000 Joined the Company December 2007 General Manager of Corporate Planning Department of the Company February 2009 General Manager of Production Administrating Department of Manufacturing Headquarters of the Company April 2010 President of PEGASUS VIETNAM SEWING MACHINE CO., LTD. April 2013 President of PEGASUS-SHIMAMOTO AUTO PARTS (VIETNAM) CO., LTD. September 2015 Executive Officer and Vice Chief of Die Cast Business Headquarters of the Company April 2016 President of PEGASUS AUTO PARTS MONTERREY S.A. DE C.V. April 2020 Senior Executive Officer of the Company June 2021 Director and Executive Officer of the Company June 2023 Managing Executive Officer of the Company June 2024 Chief of Automotive Headquarters of the Company (current position) July 2024 Chairman of PEGASUS-SHIMAMOTO AUTO PARTS VIETNAM CO., LTD. (current position) Director (Chairman) of PEGASUS AUTO PARTS MONTERREY S.A. DE C.V. (current position) March 2025 President of PEGASUS-SHIMAMOTO AUTO PARTS VIETNAM CO., LTD. June 2025 Managing Director and Executive Officer of the Company (current position) Chairman of TIANJIN PEGASUS-SHIMAMOTO AUTO PARTS CO., LTD. (current position) Chairman of NANTONG PEGASUS AUTO PARTS MFG. CO., LTD. (current position)</p> <p>[Significant concurrent positions] • Chairman of PEGASUS-SHIMAMOTO AUTO PARTS VIETNAM CO., LTD. • Director (Chairman) of PEGASUS AUTO PARTS MONTERREY S.A. DE C.V. • Chairman of TIANJIN PEGASUS-SHIMAMOTO AUTO PARTS CO., LTD. • Chairman of NANTONG PEGASUS AUTO PARTS MFG. CO., LTD.</p>	478,500
<p>[Reason for nomination as candidate for Director] Mr. Masamichi Mima has successively held positions as General Manager of the Corporate Planning Department and General Manager of the Production Administrating Department of the Company. For two years from June 2021, and since June 2025, he has been involved in the Company’s management as Director, and has been engaged from establishment as President of automotive manufacturing subsidiaries in Vietnam and Mexico. He has a high level of insight and abundant experience suitable for executing global management. The Company nominates him as a candidate for Director in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
4	 Norio Kotaka (June 17, 1962) [Reappointment] [External] [Independent]	April 1986 Joined MITSUI & CO., LTD. January 1995 Representative Director and President of Full-Steri Corp. March 1997 Representative Director and President of Dainichi Jitsugyo Co., Ltd. August 1997 President of DAINICHI KASEI KOUGYOU Co., Ltd. June 2006 CEO of atect Corp. May 2007 Representative Director of atect Korea Corp. January 2010 CEO of atect Progressive and Innovative Manufacturing Corp. (currently atect Engineering Corp.) August 2010 Chairman of atect Shanghai Corp. November 2010 Chairman of ATECT TAIWAN CORPORATION February 2021 CEO of atect Corp. June 2021 External Director of the Company (current position)	—
	<p>[Reason for nomination as candidate for External Director and expected role]</p> <p>Mr. Norio Kotaka has abundant experience and profound insight in management of manufacturing business in Japan and overseas, and has been actively providing remarks from an objective standpoint in meetings of the Board of Directors of the Company since assuming office as External Director in 2021. In light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight, the Company has deemed that he will properly execute duties as External Director, and therefore, nominates him as a candidate for External Director.</p> <p>The Company expects that Mr. Norio Kotaka will continue to leverage his experience and profound insight in management of manufacturing business in Japan and overseas and provide advice and opinions from a broad managerial perspective and contribute to strengthening supervisory functions for business execution.</p>		

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
5	 <p>Chika Tanaka (February 27, 1971)</p> <p>[Reappointment] [External] [Independent]</p>	<p>October 1999 Joined WORK COMPANY LIMITED</p> <p>November 2012 Director of WORK COMPANY LIMITED</p> <p>February 2015 Representative Director and Vice President of WORK COMPANY LIMITED</p> <p>August 2015 President/C.E.O. of WORK COMPANY LIMITED (current position)</p> <p>June 2021 External Director of the Company (current position)</p> <p>March 2023 Representative Director of Patec Co., Ltd. (current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • President/C.E.O. of WORK COMPANY LIMITED • Representative Director of Patec Co., Ltd. 	—
<p>[Reason for nomination as candidate for External Director and expected role]</p> <p>Ms. Chika Tanaka has abundant experience and profound insight in the management of manufacturing business domestically and overseas, and has been actively providing remarks from an objective standpoint in meetings of the Board of Directors of the Company since assuming office as External Director in 2021. In light of the aforementioned background, and in comprehensive consideration of such factors as her personality and insight, the Company has deemed that she will properly execute duties as External Director, and therefore, nominates her as a candidate for External Director.</p> <p>The Company expects that Ms. Chika Tanaka will continue to leverage her experience and profound insight in management of manufacturing business in Japan and overseas and provide advice and opinions from a broad managerial perspective and contribute to strengthening supervisory functions for business execution.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
6	 Kiyokazu Sugiyama (January 9, 1962) [Reappointment] [External] [Independent]	April 1986 Joined Hayashi Tatsuzo Tax Accountant Office April 1988 Registered as a tax accountant November 1990 Opened Sugiyama Kiyokazu Tax Accountant Office June 2004 Sugiyama Kiyokazu Tax Accountant Office transformed into Kobe Godo Accounting Office (currently SWATS Tax Accountant Office), where he serves as Representative Partner (current position) June 2017 External Audit & Supervisory Board Member of the Company June 2025 External Director of the Company (current position) [Significant concurrent positions] • Representative Partner of SWATS Tax Accountant Office • Representative Director of Munesugi Kosan Co., Ltd. • Director of Kobe Business Administration Center Co., Ltd.	—
<p>[Reason for nomination as candidate for External Director and expected role]</p> <p>Mr. Kiyokazu Sugiyama has abundant experience and profound insight as a tax accountant. Since assuming office as an External Audit & Supervisory Board Member in June 2017 and subsequently as an External Director in June 2025, he has been actively providing remarks from an objective standpoint at meetings of the Audit & Supervisory Board and the Board of Directors, respectively. In light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight, the Company has deemed that he will properly execute duties as External Director, and therefore, nominates him as a candidate for External Director.</p> <p>The Company expects that Mr. Kiyokazu Sugiyama will continue to provide advice and opinions on management in general from an objective perspective and contribute to enhancing the governance structure and supervisory functions for business execution.</p>			

- Notes:
1. There are no special interests between each candidate for Director and the Company.
 2. The number of shares of the Company held by each candidate for Director shown above is as of March 31, 2026.
 3. The Company has entered into an agreement with Mr. Norio Kotaka, Ms. Chika Tanaka, and Mr. Kiyokazu Sugiyama which limits the liability for damage under Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damage under the agreement is the minimum liability amount as stipulated by Article 425, Paragraph 1 of the same Act. If their reelection is approved as originally proposed, the Company plans to continue the above limited liability agreement with them.
 4. Mr. Kiyokazu Sugiyama has never been involved in the management of a company in a capacity other than as External Director and External Audit & Supervisory Board Member, but for the reasons described above in “[Reason for nomination as candidate for External Director and expected role],” the Company has deemed that he will properly execute duties as External Director.
 5. The Company has concluded a directors and officers liability insurance policy under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, which includes Directors as the insured. The said insurance policy covers damage arising from litigation against officers which would be borne by the insured. Each candidate for Director, if elected, will be included in the insured under the policy.

6. Mr. Norio Kotaka, Ms. Chika Tanaka, and Mr. Kiyokazu Sugiyama are External Director candidates.

The Company has registered Mr. Norio Kotaka, Ms. Chika Tanaka, and Mr. Kiyokazu Sugiyama as Independent Directors with the Tokyo Stock Exchange, Inc. pursuant to the relevant provisions of the Exchange, and plans to maintain their registration as Independent Directors if their election is approved as originally proposed at the Meeting.

7. At the conclusion of the Meeting, Mr. Norio Kotaka and Ms. Chika Tanaka each will have been in office as External Director of the Company for five (5) years.
8. At the conclusion of the Meeting, Mr. Kiyokazu Sugiyama will have been in office as External Director for one (1) year. He served as External Audit & Supervisory Board Member of the Company for eight (8) years, from June 2017 to June 2025.

Proposal 3: Election of Two (2) Audit & Supervisory Board Members


The term of office of Audit & Supervisory Board Member Mr. Masao Mizobuchi will expire at the conclusion of the Meeting. Accordingly, the Company proposes the election of two (2) Audit & Supervisory Board Members, increasing the number of Audit & Supervisory Board Members by one (1) in order to strengthen and enhance the audit structure.

The Company has obtained approval for this proposal from the Audit & Supervisory Board.

The Audit & Supervisory Board Member candidates are as follows.

No.	Name	Current positions at the Company
1	[New appointment] Fumiyasu Sato	Company Executive
2	[Reappointment] [External] Masao Mizobuchi [Independent]	External Audit & Supervisory Board Member

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
1	 Fumiyasu Sato (August 14, 1965) [New appointment]	April 1988 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) May 2017 General Manager of Management Planning Department of the Company May 2018 Executive Officer of the Company July 2018 Vice Chief of Administrative Headquarters and General Manager of Management Planning Department of the Company July 2019 Vice Chief of Administrative Headquarters and General Manager of General Affairs Department of the Company September 2021 General Manager of Financial Department of the Company June 2023 Company Executive of the Company (current position)	10,500
[Reason for nomination as candidate for Audit & Supervisory Board Member] Mr. Fumiyasu Sato has successively held positions such as General Manager of the Management Planning Department, General Manager of the General Affairs Department, and General Manager of the Financial Department, gaining abundant experience and knowledge in the Company's business. Therefore, the Company has deemed that he will leverage his past achievements and experience to provide useful counsel and suggestions in order to further strengthen the audit structure of the Company. The Company nominates him as a candidate for Audit & Supervisory Board Member in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
2	 Masao Mizobuchi (March 28, 1982) [Reappointment] [External] [Independent]	October 2006 Registered as an attorney and joined the Osaka Bar Association October 2006 Joined the Kyoei Law Office (current position) April 2015 Adjunct Lecturer of the Kwasei Gakuin University Graduate School of Law April 2016 Visiting Professor of the Ritsumeikan University School of Law April 2019 Specially Appointed Professor of the Osaka Metropolitan University Graduate School of Law (current position) March 2025 External Audit & Supervisory Board Member (current position) [Significant concurrent positions] • Attorney, Kyoei Law Office • Specially Appointed Professor of the Osaka Metropolitan University Graduate School of Law	—
<p>[Reason for nomination as candidate for External Audit & Supervisory Board Member]</p> <p>Mr. Masao Mizobuchi has abundant experience and profound insight as an attorney. Since assuming office as an Audit & Supervisory Board Member in 2025, he has been providing appropriate counsel and suggestions for auditing and ensuring the legality of the Company's business execution. In light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight, the Company has deemed that he will properly execute duties as External Audit & Supervisory Board Member. Accordingly, the Company nominates him as a candidate for External Audit & Supervisory Board Member.</p>			

- Notes: 1. There are no special interests between each candidate for Audit & Supervisory Board Member and the Company.
2. The number of shares of the Company held by the abovementioned candidates for Audit & Supervisory Board Member is as of March 31, 2026.
3. Mr. Masao Mizobuchi is a candidate for External Audit & Supervisory Board Member. The Company has registered him as an Independent Officer with the Tokyo Stock Exchange, Inc., and plans to maintain his registration as an Independent Officer, if his reelection is approved as originally proposed at the Meeting.
4. Mr. Masao Mizobuchi has never been involved in the management of a company in a capacity other than as External Audit & Supervisory Board Member, but for the reasons described above in “[Reason for nomination as candidate for External Audit & Supervisory Board Member],” the Company has deemed that he will properly execute duties as External Audit & Supervisory Board Member.
5. The Company has entered into an agreement with Mr. Masao Mizobuchi which limits the liability for damage under Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damage under the agreement is the minimum liability amount as stipulated by Article 425, Paragraph 1 of the same Act. If his reelection is approved as originally proposed, the Company plans to continue the above limited liability agreement with him. In addition, if the election of Mr. Fumiyasu Sato is approved as originally proposed, the Company plans to enter into a similar limited liability agreement with him.
6. The Company has concluded a directors and officers liability insurance policy under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, which includes Audit & Supervisory Board Members as the insured. The said insurance policy covers damage arising from litigation against officers which would be borne by the insured. If their election

is approved, each candidate for Audit & Supervisory Board Member will be included in the insured under the policy.

7. At the conclusion of the Meeting, Mr. Masao Mizobuchi will have been in office as External Audit & Supervisory Board Member for one (1) year and three (3) months.

Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for the event that the number of Audit & Supervisory Board Members falls below the number required by laws and regulations, the Company proposes the election of One (1) Substitute Audit & Supervisory Board Member in advance.

The Company has obtained approval for this proposal from the Audit & Supervisory Board.

The Substitute Audit & Supervisory Board Member candidates are as follows.

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
1	Takafumi Shimomoto (May 31, 1974) [External] [Independent]	October 2001 Registered as an attorney and joined the Osaka Bar Association Joined the Kamakura-Higaki Law Office April 2008 Established the Tanaka-Shimomoto Law Office June 2015 External Auditor of Institute for Fermentation, Osaka (current position) April 2017 Representative Partner of the Legal Professional Corporation New Stage (current position) March 2026 External Director of SOMENOGAWA Co., Ltd. (current position) [Significant concurrent positions] • Representative Partner of the Legal Professional Corporation New Stage • External Auditor of Institute for Fermentation, Osaka • External Director of SOMENOGAWA Co., Ltd.	—
[Reason for nomination as candidate for Substitute External Audit & Supervisory Board Member] Mr. Takafumi Shimomoto has abundant experience and profound insight as an attorney, and the Company has deemed that he will provide appropriate counsel and suggestions for auditing and ensuring the legality of the Company's business execution as an Audit & Supervisory Board Member. In light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight, the Company nominates him as a candidate for Substitute External Audit & Supervisory Board Member.			

- Notes:
1. There are no special interests between the candidate for Substitute Audit & Supervisory Board Member and the Company.
 2. The number of shares of the Company held by the abovementioned candidate for Substitute Audit & Supervisory Board Member is as of March 31, 2026.
 3. Mr. Takafumi Shimomoto is a Substitute External Audit & Supervisory Board Member candidate.
 4. Mr. Takafumi Shimomoto has never been involved in the management of a company, but for the reasons described above in “[Reason for nomination as candidate for Substitute External Audit & Supervisory Board Member],” the Company has deemed that he will properly execute duties as External Audit & Supervisory Board Member.
The Company plans to register him as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc. if he assumes his office as External Audit & Supervisory Board Member.
 5. As provided by the Company's Articles of Incorporation, the Company plans to enter into an agreement with Mr. Takafumi Shimomoto which limits the liability for damage under Article 423, Paragraph 1 of the Companies Act, if his election as External Audit & Supervisory Board Member is approved. The maximum amount of the liability for damage under the

agreement is the minimum liability amount as stipulated by Article 425, Paragraph 1 of the same Act.

6. The Company has concluded a directors and officers liability insurance policy under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, including Audit & Supervisory Board Members as the insured. The said insurance policy covers damage arising from litigation against officers which would be borne by the insured. Mr. Takafumi Shimomoto will be included in the insured under the policy if he assumes office as External Audit & Supervisory Board Member.

<Reference> The Company's Independence Criteria for External Officers

In addition to the Independence Criteria specified by the Tokyo Stock Exchange, Inc., the Company considers external officers to be independent so far as none of the following conditions apply to them:

1. An external officer who currently falls under any of the following items (1) through (8)
 - (1) A major shareholder of the Company (a shareholder who owns more than 10% of the voting rights) or a person who executes business thereof
 - (2) A business partner of the Company whose transactions with the Company in the most recent fiscal year exceed 2% of the Company's annual consolidated gross sales, or an executive thereof
 - (3) A party who is a business partner of the Company whose transactions with the Company in the most recent fiscal year exceed 2% of its annual consolidated gross sales, or an executive thereof
 - (4) A financial institution or another large creditor on which the Company relies to the extent that it is an indispensable funding source that cannot be replaced, or an executive thereof
 - (5) A certified public accountant, or a member, partner, or employee (excluding support staff) of an auditing firm who is the accounting auditor of the Company
 - (6) A person who executes the business of an organization that receives a donation or grant exceeding the larger of either 10 million yen or 30% of its average annual expenses from the Company in the most recent fiscal year
 - (7) An attorney, certified public accountant, tax accountant, or another consultant who received payment or other properties exceeding 10 million yen from the Company, excluding remuneration for officers, on average during the past three fiscal years
 - (8) A person (excluding support staff) belonging to a law office, auditing firm, tax accountant corporation, consulting firm, or another professional advisor firm that received more than 2% of its annual consolidated gross sales from the Company during the past three fiscal years

2. A person who fell under any of the items (1) through (6) above during any of the past three years

<Reference> Skill Matrix of the Directors and Audit & Supervisory Board Members at the Conclusion of the Meeting (Tentative)

Position	Name	Gender	Overseas Business	Manufacturing/R&D	Sales/Marketing	Legal/Risk Management	Human Capital	Financial Affairs/Accounting	IT
Directors	Internal	Shigemi Mima	Male	○	○	○			○
		Yoshihide Okada	Male	○	○	○	○	○	
		Masamichi Mima	Male	○	○	○			
	External	Norio Kotaka	Male	○	○	○			○
		Chika Tanaka	Female	○	○	○			
		Kiyokazu Sugiyama	Male				○	○	
		Taizo Yoshida	Male	○			○	○	
Audit & Supervisory Board Members	Internal	Fumiyasu Sato	Male			○	○	○	
		Masao Mizobuchi	Male			○	○		
	External	Akiko Imanaka	Female				○	○	

Notes: 1. The above list describes not all of the knowledge possessed, but areas where officers can demonstrate greater expertise given their individual experience.

Rationale for Selecting the Skills in the Matrix

Overseas Business	To promote and oversee the global rollout of business properly alongside market expansion, knowledge and experience in overseas business management are essential for making decisions that account for the opportunities and risks unique to global business, as well as differences in business environments and cultures.
Manufacturing/R&D	To develop high-performance, high-quality products aligned with business strategies, launch them in a timely manner, and further enhance brand value through manufacturing, knowledge and experience spanning the entire process from development to manufacturing are essential.
Sales/Marketing	Sales and marketing skills are essential to achieve sustainable corporate value enhancement and business growth by providing products and solutions tailored to evolving market needs and optimized for customers in Japan and overseas, and by formulating, implementing, and properly overseeing marketing strategies that expand market reach.
Legal/Risk Management	To properly execute and oversee risk management, including legal compliance, and to strengthen the Board of Directors' management oversight function and the governance structure, knowledge and experience in legal affairs and risk management are essential.
Human Capital	To sustainably advance responsible management as a global enterprise, profound insight into human capital management, including human resource development and the promotion of diversity, is essential.
Financial Affairs/Accounting	To simultaneously establish a sound financial foundation and improve capital efficiency while sustainably enhancing corporate value, profound knowledge of finance and accounting is essential for making sound decisions on, and properly overseeing, financial strategies and capital policies linked to management strategies.
IT	To drive business transformation, advance and streamline business processes, and create new value in response to evolving digital technology, knowledge and experience in information technology and digital transformation (DX) are essential.

Proposal 5: Introduction of Restricted Stock Remuneration Plan for Directors (Excluding External Directors)

At the 62nd Annual General Meeting of Shareholders held on June 24, 2008, the amount of remuneration for Directors of the Company was approved at no more than 350 million yen per annum (excluding the employee salary portion).

To enable the Company's Directors (excluding External Directors; hereinafter "Eligible Directors") to share with shareholders the benefits and risks of stock price fluctuations and to further strengthen their motivation to contribute to higher stock prices and corporate value, the Company hereby proposes to allot to Eligible Directors its common stock subject to a specified transfer restriction period and grounds for acquisition by the Company without compensation, etc. (hereinafter "Restricted Stock") as follows.

Accordingly, after comprehensively considering the contributions of Eligible Directors and other relevant factors, the Company proposes, separately from the amount of remuneration for Directors described above, to cap the total amount of monetary remuneration claims paid to Eligible Directors as remuneration, etc. related to such Restricted Stock at no more than 35 million yen per year. The allotment of shares of Restricted Stock will be determined through comprehensive consideration of various factors such as the contributions of Eligible Directors, and the upper limit on the number of shares of Restricted Stock to be allotted in each fiscal year, as set forth in Section 2 below, will be approximately 0.40% of the total number of issued shares. Since the resulting dilution will therefore be minor, we believe this proposal is appropriate.

If this proposal is approved, at the Board of Directors meeting to be held following the conclusion of the Meeting, the Company plans to amend the policies described in "4. Matters Related to Corporate Officers, (4) The Amount of Remuneration, Etc. for Directors and Audit & Supervisory Board Members" of the Business Report to those described in the "Reference" section of this proposal, in order to ensure consistency with the approved content. This proposal is in line with the revised policy and we deem its content to be appropriate.

The number of Directors of the Company is currently six (6) (including three (3) External Directors). Subject to the approval of Proposal 2, the number of Directors will be six (6) (including three (3) External Directors), and the number of Eligible Directors will be three (3).

Specific details and upper limit on the number of shares of Restricted Stock to be allotted to Eligible Directors

1. Allotment and Payment of Restricted Stock

In accordance with a resolution of the Company's Board of Directors, the Company will grant Eligible Directors monetary remuneration claims within the per annum range stated above as remuneration, etc. related to the Restricted Stock, and each Eligible Director will receive an allotment of shares of Restricted Stock by contributing all such monetary remuneration claims as payment in kind.

The amount to be paid in for the Restricted Stock will be determined by the Company's Board of Directors within a range not particularly advantageous to the Eligible Directors who receive allotments of shares of Restricted Stock, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors resolution on the issuance or disposal of the Restricted Stock (or the closing price on the most recent preceding trading day if no transaction takes place on such business day).

The above monetary remuneration claims will be granted on the condition that the Eligible Directors have consented to the above payment in kind and entered into a Restricted Stock Allotment Agreement containing the matters specified in Section 3 below.

2. Total Number of Shares of Restricted Stock

The total number of shares of Restricted Stock to be allotted to Eligible Directors of 100,000 shares shall be the upper limit on the number of shares of Restricted Stock to be allotted each fiscal year.

However, if there is a need to adjust the total number of shares of Restricted Stock to be allotted due to a stock split of the Company's common stock (including an allotment of the Company's common stock without payment), a stock consolidation of the Company's common stock, or any other comparable event on or after the date this proposal is resolved, the total number of shares of Restricted Stock may be adjusted as reasonably necessary.

3. Details of the Restricted Stock Allotment Agreement

When shares of Restricted Stock are allotted, the Restricted Stock Allotment Agreement to be entered into between the Company and the Eligible Directors receiving the allotment pursuant to a resolution of

the Company's Board of Directors shall include the following provisions.

(1) Details of Transfer Restrictions

An Eligible Director who receives an allotment of shares of Restricted Stock may not transfer to a third party, pledge, create a security interest in, give inter vivos, bequeath, or otherwise dispose of (hereinafter "Transfer Restrictions") the allotted shares of Restricted Stock (hereinafter the "Allotted Shares") during the period from the allotment date of the Restricted Stock until the date on which the Eligible Director resigns or retires from the position of Director, Audit & Supervisory Board Member, Executive Officer, Company Executive, Executive Fellow, or employee of the Company or its subsidiaries (hereinafter "Company Personnel") (such period, hereinafter the "Transfer Restriction Period").

(2) Acquisition of Restricted Stock Without Contribution

If an Eligible Director who has received an allotment of shares of Restricted Stock resigns or retires from the position of Director, Audit & Supervisory Board Member, or Company Personnel of the Company or its subsidiaries before the day immediately preceding the first Annual General Meeting of Shareholders of the Company following the start date of the Transfer Restriction Period, the Company will automatically acquire the Allotted Shares without payment, unless the resignation or retirement is for a reason deemed justifiable by the Company's Board of Directors.

In addition, upon the expiration of the Transfer Restriction Period described in (1) above, the Company will automatically acquire without payment any Allotted Shares for which Transfer Restrictions have not been lifted under the provisions of (3) Lifting of the Transfer Restrictions below.

(3) Lifting of the Transfer Restrictions

The Company will lift the Transfer Restrictions on all of the Allotted Shares upon the expiration of the Transfer Restriction Period, on the condition that the Eligible Director who received the allotment of shares of Restricted Stock has continuously held the position of Director, Audit & Supervisory Board Member, or Company Personnel of the Company or its subsidiaries from the start date of the Transfer Restriction Period through the date of the first Annual General Meeting of Shareholders of the Company held after that start date.

However, if the Eligible Director resigns or retires from the position of Director, Audit & Supervisory Board Member, or Company Personnel of the Company or its subsidiaries during the period from the start date of the Transfer Restriction Period until the day immediately preceding the first Annual General Meeting of Shareholders of the Company is held after the start of that period, for a reason deemed justifiable by the Board of Directors, the Board of Directors will reasonably adjust the number of Allotted Shares for which Transfer Restrictions are to be lifted and the timing of such lifting as necessary.

(4) Treatment in Organizational Restructuring, etc.

If a proposal relating to a merger agreement in which the Company becomes the extinguished entity, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required for such organizational restructuring, etc.) during the Transfer Restriction Period, the Company will, by resolution of its Board of Directors, lift the Transfer Restrictions, prior to the effective date of such organizational restructuring, etc., on a number of Allotted Shares reasonably determined in consideration of the period from the start date of the Transfer Restriction Period to the date of approval of the organizational restructuring, etc.

In this case, the Company will automatically acquire without payment the Allotted Shares for which the Transfer Restrictions have not been lifted, immediately after the Transfer Restrictions are lifted in accordance with the above provisions.

[Reference]

Following the conclusion of the Meeting, the Company plans to allot the same type of Restricted Stock to its Executive Officers and employees who satisfy certain conditions with a resolution of the Board of Directors or otherwise.

The Company also plans to change its policy for determining remuneration, etc. for Directors and Audit & Supervisory Board Members as follows.

1) Policy for Determining Remuneration, etc. for Directors and Audit & Supervisory Board Members

Remuneration for Directors of the Company is linked to shareholders' interests to ensure that it functions effectively as an incentive for the sustainable enhancement of corporate value. Specifically, it consists of fixed remuneration paid monthly and performance-linked remuneration that varies according to the level of achievement of consolidated business performance targets. Remuneration for External Directors, who are not involved in business execution, includes fixed monthly remuneration in light of their roles in the oversight and supervision of management.

When revising or determining the level of monthly remuneration and the calculation standards and total amount of performance-linked remuneration for Directors, the Board of Directors makes such decisions based on recommendations from the Nomination and Remuneration Committee, which consists of four (4) members, including the Representative Director and President and three (3) Independent External Directors, and is chaired by an Independent External Director, in order to ensure the appropriateness of the levels and total amounts of remuneration, including performance-linked remuneration, as well as the transparency of the decision-making process.

Since the Nomination and Remuneration Committee conducts a multifaceted review annually to determine whether the details of remuneration are consistent with the above-mentioned policy, the Board of Directors respects the Committee's recommendations and deems them aligned with such policy.

Remuneration for the Company's Audit & Supervisory Board Members consists solely of base remuneration, in consideration of their roles.

2) Policy for Determining the Amount of Monthly Remuneration (Monetary Remuneration) for Each Individual Officer

Monthly remuneration levels are determined for each position based on the roles, levels of responsibility, and contributions to the Company's performance associated with that position, while ensuring objectivity by referring to the results of surveys conducted by third-party organizations on officer remuneration levels.

Monthly remuneration amounts are determined in light of the results of annual performance evaluations of officers, which assess the scale and complexity of their areas of responsibility as well as their contributions to the Company's performance from a medium- to long-term perspective, so that such remuneration functions as an incentive.

Notwithstanding the preceding paragraph, remuneration amounts may be reduced in cases where it is deemed inappropriate to pay the amounts calculated in the standard manner, primarily due to a significant deterioration of the Company's performance.

A certain portion of monthly remuneration, in an amount no less than that prescribed for each position, is contributed to a cumulative stock investment program, and officers are prohibited from transferring interests acquired through such contributions during their term of office, thereby providing an incentive to increase stock prices over the medium and long term.

3) Policy for Determining the Details of Performance-Linked Remuneration and the Method for Calculating Its Amount

Performance-linked remuneration consists of cash remuneration (bonuses) and restricted stock-based remuneration. The amounts of cash remuneration (bonuses) are based on a certain percentage of the most recent profit attributable to owners of parent (consolidated) as stipulated in internal regulations, are determined through comprehensive consideration of dividends, employee bonus levels, trends at other companies, the Company's medium- to long-term performance, and past payment results, and are paid at designated times.

To share with shareholders the benefits and risks of stock price fluctuations and further enhance motivation to contribute to higher stock prices and corporate value, the Company provides Restricted Stock Remuneration at designated times after comprehensively considering the level of contribution and other relevant factors.

Since the total amount of performance-linked remuneration fluctuates in accordance with the Company's performance, the ratio of performance-linked remuneration to total remuneration fluctuates accordingly.

Proposal 6: Continuation of the Response Policy Concerning Large-Scale Acquisitions of the Company's Share Certificates, Etc. in Response to the Large-Scale Purchase of the Company's Shares by Be Brave Co., Ltd.

At the meeting of the Company's Board of Directors held on May 13, 2026, for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Company resolved to decide on a basic policy regarding the persons who control decisions on the Company's financial and business policies (as prescribed in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; the "Basic Policy") and to introduce a response policy concerning large-scale acquisitions of its share certificates, etc. (the "Response Policy") as described below as a measure to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate under the Basic Policy (as specified in Article 118, Item 3(b)(ii) of the Enforcement Regulations of the Companies Act) in light of the fact that, as announced in the "Notice Regarding Introduction of Response Policy Concerning Large-Scale Acquisitions of the Company's Share Certificates, Etc. in Response to the Large-Scale Purchase of the Company's Shares by Be Brave Co., Ltd." dated May 13, 2026, following the disclosure by Be Brave Co., Ltd. ("Be Brave") in its Statement of Large-Volume Holdings filed on November 12, 2025 (the "Large-Volume Holding Statement") that Be Brave held, through ESG Investment Partnership, for which Be Brave serves as the general partner, the number of the Company's share certificates, etc. equivalent to a 6.34% shareholding ratio (representing a 6.58% voting rights ratio (meaning the ratio of the voting rights to the total number of voting rights of all of the shareholders of the Company as of March 31, 2026 (239,334) (rounded to the second decimal place); the same shall apply hereinafter)) as of November 5, 2025, Be Brave has been conducting a rapid and large-scale buy up of the Company's share certificates, etc. (the rapid and large-scale buy up of the Company's share certificates, etc. on and off the market by Be Brave, the "Share Buy Up"), and, according to statement of changes No. 5 to the Large-Volume Holding Statement ("Statement of Changes No. 5") filed on April 21, 2026, as of April 14, 2026, Be Brave has come to hold, through ESG Investment Partnership, for which Be Brave serves as the general partner, the number of the Company's share certificates, etc. equivalent to a 12.88% shareholding ratio (representing a 13.36% voting rights ratio), and that at the meeting held on February 20, 2026 between the Company and Mr. Kazuhito Izumida ("Mr. Izumida"), the Representative Director of Be Brave, Mr. Izumida indicated his intention to possibly conduct an additional buy up of the Company's share certificates, etc.

The Response Policy was introduced by a resolution of the Company's Board of Directors at its meeting held on May 13, 2026, and took effect as of the same date. Its initial effective period lasts until the conclusion of the first meeting of the Company's Board of Directors to be held after the Meeting. Based on the Company's belief that the ultimate decision on whether to accept a large-scale acquisition should be made by its shareholders, and in order to more fully reflect the intent of the shareholders, the Company decided, at the Board of Directors meeting held on the same date, to submit this proposal for the continuation of the Response Policy as an agenda item at the Meeting.

Accordingly, the Company hereby seeks the approval of its shareholders for the continuation of the Response Policy. If this proposal is not approved by the shareholders at the Meeting, the Response Policy will end upon the expiration of its effective period in accordance with the intent of the shareholders.

I. Background leading to the introduction of the Response Policy

Since the filing by Be Brave of the Large-Volume Holding Statement on November 12, 2025 to date, the Company, by holding multiple meetings and discussions via telephone at the request of Be Brave, has created opportunities to discuss matters in which Be Brave is interested, such as the Company's Mid-term Management Plan, price-to-book ratio (PBR), and dividend on equity (DOE). Furthermore, the Company has sincerely taken into account the opinions and requests received through dialogue with its shareholders, including Be Brave, and has been continuously examining and addressing its management issues. Specifically, on January 30, 2026, as an update to the initiatives toward implementing business operations with capital cost and share price in mind as set forth in the Mid-Term Management Plan released on May 20, 2024, the Company decided to reset its cost of shareholders' equity and to introduce a balance sheet (BS) management policy. In addition, on May 13, 2026, the Company determined basic policies for the Mid-Term Management Plan for the period from FY 2027 to FY 2029 and has publicly announced these policies (for details, please refer to the Company's press release dated January 30, 2026, titled "Update on Initiatives Toward Business Operations with Capital Cost and Share Price in Mind" and the Company's press release dated May 13, 2026, titled "Announcement of 'Basic Policies for New Mid-Term Management Plan'").

During that time, Be Brave continued the Share Buy Up without making clear the purpose of the purchases through the Share Buy Up, the purchase volume, the purchase period, the outline of the purchaser,

or the basic policy, etc. for management after the purchase. According to statement of changes No. 3 to the Large-Volume Holding Statement filed on December 26, 2025, Be Brave, through ESG Investment Partnership, for which Be Brave serves as the general partner, held, as of December 19, 2025, the number of the Company's share certificates, etc. equivalent to a shareholding ratio of 10.57% (representing a 10.97% voting rights ratio), thereby becoming a major shareholder of the Company. Furthermore, according to statement of changes No. 4 to the Large-Volume Holding Statement filed on March 2, 2026, Be Brave, through ESG Investment Partnership, for which Be Brave serves as the general partner, came to hold, as of February 20, 2026, the number of the Company's share certificates, etc. equivalent to a shareholding ratio of 11.87% (representing a 12.31% voting rights ratio). Under these circumstances, at the meeting held on February 20, 2026 between Be Brave and the Company (the "February 20 Meeting"), Be Brave requested that the Company take measures such as paying dividends at a DOE of 8% for two consecutive fiscal years in order to achieve a PBR of 1.0. In addition, Be Brave indicated that, if its requests were not accepted, it might submit shareholder proposals and might additionally purchase the Company's shares up to 30% by the time of the Meeting. In light of the foregoing, there are strong grounds to suspect that, through the Share Buy Up, Be Brave is seeking to acquire effective control over the Company's management or to increase its influence over management, and is thereby attempting to compel the Company to make management decisions in line with its intentions. In fact, Be Brave has continued to purchase the Company's shares even after the February 20 Meeting, and, according to Statement of Changes No. 5 to the Large-Volume Holding Statement filed on April 21, 2026, as of April 14, 2026, it has come to hold, through ESG Investment Partnership, for which Be Brave serves as the general partner, the number of the Company's share certificates, etc. equivalent to a shareholding ratio of 12.88% (representing a 13.36% voting rights ratio).

In addition, based on the Company's most recent shareholder register (as of the record date of March 31, 2026), it has been confirmed that multiple shareholders have acquired a substantial number of the Company's shares following the previous record date (September 30, 2025). Furthermore, in Be Brave's past investment activities, there was a case in which it was found that Be Brave had established a relationship equivalent to "a relationship whereby the specific shareholder group or the other shareholder(s) substantially control(s) the other or they act jointly or in concert with each other" without disclosing such parties as joint holders in the statement of large-volume holdings or the statements of changes to such statement (the "Past Case") (Note), and it has been confirmed that part of certain shareholders who were found to have established such a relationship with Be Brave in the Past Case acquired the Company's shares during the period from September 30, 2025 to March 31, 2026. While the existence and extent of any relationship between these shareholders and Be Brave are currently under investigation and no joint holders are disclosed in the Large-Volume Holding Statement and the relevant statements of changes filed by Be Brave, if there were acts of multiple shareholders commencing acquisitions of the Company's shares at very similar times and accumulating a substantial number of the Company's shares within a very short period around the same timeframe, it would ordinarily be difficult to assume that such acts were entirely unrelated to one another. In addition, in light of the existence of the Past Case as part of Be Brave's past investment activities, the Company cannot rule out the possibility that multiple shareholders are, in substance, acting jointly with Be Brave in acquiring the Company's shares.

The average voting rights exercise ratio at the Company's general meetings of shareholders over the past ten years is approximately 75.88%. Accordingly, the voting rights ratio that may be regarded as conferring veto power over matters requiring a special resolution under the Companies Act at the Company's general meetings of shareholders is considered to be approximately 25.30%. Although it is not clear whether the "30%" indicated by Be Brave refers to a shareholding ratio or a voting rights ratio, in either case, if the Share Buy Up were to be carried out up to "30%," Be Brave would, on its own, possess effective veto power over matters requiring a special resolution at the general meetings of shareholders and would thereby have significant influence over the management of the Company.

Despite this, Be Brave is continuing the Share Buy Up without providing specific information on such as the purpose or details of the Share Buy Up. The Company is concerned that the Share Buy Up by Be Brave may have a significant influence on the Company's management, while failing to provide sufficient information or adequate time for consideration to the Company or the Company's general shareholders. Furthermore, the Company believes that this situation could have coercive effects, effectively pressuring general shareholders, particularly those concerned about the surrounding circumstances, into selling the Company's shares, and the Company also believes that the Share Buy Up is highly problematic in light of the "Guidelines for Corporate Takeovers" prepared by the Ministry of Economy, Trade and Industry published on August 31, 2023.

Based on the above, in light of the status and process of the Share Buy Up and other related circumstances up to now, in addition to being able to reasonably believe that there is a fairly high possibility

that Be Brave will carry out a Large-Scale Acquisition (as defined in Section IV 3.(1) below; the same shall apply hereinafter) with the aim of making its voting rights ratio be 20% or more, and in anticipation of situations where a Large-Scale Acquisition by other parties may be contemplated in this situation, the Company's Board of Directors has concluded that, in order to ensure that shareholders are provided with sufficient information and time to make appropriate decisions regarding the potential impact of these Large-Scale Acquisitions on the Company's corporate value and, in turn, shareholders' common interests, and to enable the Company's Board of Directors to negotiate or consult with the Large-Scale Purchaser (as defined in Section IV 3.(1) below; the same shall apply hereinafter) regarding such Large-Scale Acquisition or the Company's management policies, requiring such Large-Scale Acquisition to follow certain procedures established by the Company's Board of Directors will contribute to the maximization of the Company's corporate value and, in turn, the common interests of its shareholders.

As a result, on May 13, 2026, the Company's Board of Directors resolved to decide on the Basic Policy and to introduce the Response Policy. At the meeting of the Company's Board of Directors, the introduction of the Response Policy was resolved by the unanimous approval of all Directors of the Company, including three Independent External Directors. Further, all Audit & Supervisory Board Members of the Company, including two Independent External Audit & Supervisory Board Members, gave their consent to the introduction of the Response Policy.

The primary purpose of introducing the Response Policy is to address a Large-Scale Acquisition by Be Brave or its related parties in light of the already materialized Share Buy Up. The Response Policy is different from so-called "advance warning-type takeover defense measures" that are introduced in a normal phase.

Note: Please refer to the press release of Toyo Securities Co., Ltd. dated December 11, 2023, titled "Notice Regarding the Recognition of a Joint and Concerted Relationship among Be Brave, UGS Asset Management, Capital Management, and Epic Group in Connection with the Policy for Responding to Large-Scale Purchases of the Company Shares." It should be noted that the Company has not itself confirmed that Be Brave established a relationship equivalent to "a relationship whereby the specific shareholder group or the other shareholder(s) substantially control(s) the other or they act jointly or in concert with each other" with other shareholders in the Past Case.

II. Basic Policy on Persons Who Control Decisions on the Company's Financial and Business Policies

The Company believes that those who control decisions on its financial and business policies should have a sufficient understanding of the Company's corporate group's finances, operations, and sources of corporate value, and be capable of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders in a continuous and sustainable manner. The Company does not categorically oppose Large-Scale Acquisitions of its share certificates, etc. by specific parties, provided that such purchases contribute to ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders. The Company believes that whether to accept such a purchase should ultimately be determined based on shareholders' intent. However, there are some cases in which Large-Scale Acquisitions of share certificates, etc. do not contribute to the corporate value of the target company or, in turn, the common interests of its shareholders. These include purchases that, based on their objectives, are considered to cause clear harm to corporate value and, in turn, the common interests of the shareholders; those that may effectively coerce shareholders into selling their share certificates, etc.; those that fail to provide the target company's board of directors and shareholders with sufficient time or information to evaluate the Large-Scale Acquisition and for the board to develop alternative proposals; and those that require discussions and negotiations with the acquirer so that the target company may obtain more favorable conditions than those presented by the acquirer.

The Company believes that together, the trust it has earned from its customers and the strength of the Company's corporate group's brand, the Company's corporate group's business model that enables the Company to supply unique, high-quality products on a global basis, the relationships of trust with the Company's employees and other stakeholders, including business partners and regional communities comprise the sources of the corporate value of the Company's corporate group. The corporate value of the Company and, in turn, the common interests of its shareholders may be undermined if a large-scale purchaser of the Company's share certificates, etc. lacks a sufficient understanding of these sources of corporate value or the ability to maintain and enhance them over the medium to long term. Accordingly, the Company believes that any party engaging in a Large-Scale Acquisition that does not contribute to the corporate value of the Company or, in turn, the common interests of its shareholders should not be in a position to control decisions on the Company's financial and business policies. Therefore, the Company believes that it is necessary to secure the corporate value of the Company and, in turn, the common interests

of its shareholders by taking necessary and reasonable measures against a Large-Scale Acquisition by such party.

III. Sources of the Company's Corporate Value and Special Initiatives to Support the Basic Policy

1. Sources of the Company's corporate value

The Company's corporate group has expanded its product lineup and developed its businesses with the aim of contributing to the development of "clothing cultures" around the world, based on its solid technological capabilities cultivated over its more than 100 years of history since the Company's founding in 1914 as a manufacturer of industrial chainstitch sewing machines. In addition, in the automotive business launched in 2007, the Company's corporate group strives to provide the highest quality as a business that supports the safety of people's lives around the world through automotive parts, including safety belt retractor parts and engine room related parts.

As such, the business of the Company's corporate group is built on two pillars: the apparel machinery business and the automotive business. In the apparel machinery business, the Company prides itself on having established a top brand position in the area of industrial sewing machines used for apparel production at sewing factories, particularly in the field of chainstitch sewing machines mainly used for knitted clothing. These chainstitch sewing machines offer excellent elasticity and decorative characteristics and are widely used not only for knit materials but also for a wide range of products. The Company believes that the strong trust it has earned from sewing factories around the world is attributable to the technical, quality, and customer handling capabilities it has fostered over many years in this field. In the automotive business, the Company manufactures and sells automotive die-casting parts and other automotive parts that require advanced technological capabilities by leveraging the die-casting technologies the Company cultivated through its apparel machinery business, and has expanded the Company's business foundation under a global supply system. The trust the Company has earned from its customers, who highly value the quality and attractiveness of the Company's products and services, as well as the accumulation of such trust in the form of the Company group's brand strength, are important sources of the Company's corporate value.

In addition, under its global strategy, the Company's corporate group has established a business model to supply high-quality products globally through its manufacturing and sales bases worldwide, including unique industrial sewing machines developed in-house through its R&D initiatives and small automotive die-casting parts that apply die-casting technologies cultivated through the manufacturing of industrial sewing machines.

By leveraging this business model, the Company's corporate group has been able to continue to provide society with a high level of "Products, Service and Quality" over many years. In addition, in order to sustain and further develop this business model, it is essential to secure the officers and employees who not only possess the technologies and expertise to support such business model, but also underpin the Company's global business development. Further, strong relationships of trust with the Company's stakeholders are also indispensable, including with suppliers who provide high-quality materials and parts to the Company and sales agents who distribute the Company's products in the countries across the globe.

As stated above, the Company believes that the trust it has earned from its customers and the strength of the Company's corporate group's brand, the Company's corporate group's business model that enables it to supply unique, high-quality products on a global basis, and the relationships of trust with the Company's employees and other stakeholders, including business partners and regional communities, together comprise the sources of the Company's corporate value.

2. Initiatives to enhance corporate value

For the purpose of achieving sustainable growth and enhancing corporate value over the medium to long term, the business of the Company's corporate group has been managed with a strong awareness of the Company's corporate philosophy, which states "Through our people & technology, we strive to provide better Products, Service and Quality and make a positive contribution to the world of "social development.""

Specifically, in the apparel machinery business, the Company is promoting the formulation of strategies that swiftly respond to local needs, the reinforcement of the Company's distribution network, and the development of human resources, in light of changes in apparel production regions as well as increasing demand for automation and labor-saving solutions. Going forward, the Company will address the growing need for automation and labor-saving solutions driven by the shortage of skilled workers and will promote the development of digitally controlled sewing machines, while aiming to expand its customer base through the market introduction of entry-level sewing machine models with competitive pricing.

In addition, in the automotive business, the Company aims to achieve sustainable growth and business expansion through the acquisition of new customers and new components by leveraging its production structure across four production bases in three countries, namely China, Vietnam, and Mexico. In the midst of the current challenging business environment, including price reduction requests in China and the impact of trade policies, the Company is striving to strengthen its earnings base by leveraging its geographically diversified supply system.

Furthermore, the Company's corporate group is working to enhance its corporate value through the following initiatives.

(1) Promotion of Medium- to Long-Term Growth Strategy

The Company announced its Mid-Term Management Plan on May 20, 2024, in which the following are positioned as key growth strategies.

Apparel machinery business

- Strengthen product competitiveness through the development of new products, including labor-saving models and digitally controlled sewing machines
- Reinforce the production structure by enhancing production capacity at the Vietnam plant
- Expand distribution networks through the strategic introduction of entry-level sewing machine models

Automotive business

- Establish a stable supply structure through the expansion and enhancement of production facilities
- Expand the product lineup and reduce costs through technological development
- Expand distribution networks by approaching major Japanese and non-Japanese automotive parts manufacturers

Furthermore, on May 13, 2026, the Company announced the basic policies for the new Mid-Term Management Plan, in which it laid out its policies for pursuing the following strategies for the two main businesses: to expand its market share in export-oriented apparel production, to cultivate domestic sewing markets in emerging countries, and to further evolve its production structure for the apparel machinery business; and to strengthen sales activities to expand sales, to reduce costs through improved productivity, and to put to market high value-added products utilizing advanced specialty casting products for the automotive business.

(2) Investment in human capital

The Company's corporate group actively recruits the talent necessary to support its global business development and implements various training programs, including training for new employees, level-based and function-based training, and overseas training programs as needed. In addition, given that more than 80% of the total workforce of the Company's corporate group consists of employees at overseas affiliated companies, the group promotes personnel appointments based on personal attributes, which highly value individual capabilities and achievements with a global perspective, regardless of gender or nationality.

(3) Financial strategy and initiatives to improve capital efficiency

The Company is promoting initiatives based on the Mid-Term Management Plan announced on May 20, 2024, as part of its efforts to implement business operations with capital cost and share price in mind. On January 30, 2026, the Company decided to introduce a BS management policy that pursues the "maximization of returns" as well as the "minimization of invested capital," with the aim of achieving a PBR of 1.0 and improving ROE.

Under this policy, the Company will seek an optimal balance between growth investments and shareholder returns by allocating not only operating cash flow but also surplus cash and deposits as funding sources, while utilizing borrowings as necessary. Furthermore, with respect to shareholder returns, the Company has adopted a policy of flexibly utilizing share repurchases in addition to dividends, without being constrained by the previously applied dividend payout ratio.

(4) Sustainability Strategy

The Company's corporate group is promoting the enhancement of its corporate value in a sustainable manner together with the realization of a sustainable society. With regard to the

Company's sustainability initiatives, based on an assessment of risks and opportunities, the Company has identified the following eight important issues (materiality) from among high-priority challenges: contribution to the reduction of waste loss (including clothing loss); reduction of CO2 emissions; realization of a rewarding workplace environment; enhancement of human capital; contribution to technological innovation; pursuit of comfortable clothing and safety; realization of sustainable supply chain management; and reinforcement of corporate governance systems.

3. Enhancing corporate governance

The Company has established the corporate governance structure outlined below to enhance the fairness, transparency, and efficiency of its management, thereby securing and enhancing its corporate value and, in turn, the common interests of its shareholders.

(1) Basic approach to corporate governance

The Company's corporate group recognizes the importance of compliance and risk management. In order to maximize profits and uphold the trust of all stakeholders, including shareholders, the Company's corporate group has positioned the enhancement of its corporate governance as one of its most critical management priorities and is endeavoring to develop and expand its governance structure. The Company's corporate group has taken the basic approach of enhancing the transparency of its management through proactive information disclosures, thereby building long-term relationships of trust.

(2) Overview of the corporate governance structure

The Company is a company with Audit & Supervisory Board. The Company has established a Board of Directors which serves as its decision-making and supervisory body and an executive officer system for the purpose of executing appropriate business operations pursuant to the decisions of the Board of Directors, thereby separating the functions of management decision-making and supervision from those of business execution. Currently, the Board of Directors consists of six directors, three of whom are External Directors and designated as independent officers. The Company has appointed External Directors who possess experience and deep insight into the management of manufacturing companies both in Japan and overseas, as well as those with expertise in taxation and accounting. From a position independent of management, the External Directors fulfill its role of providing objective advice and supervision, including the avoidance of conflicts of interest with general shareholders.

To enhance the independence, objectivity, and accountability of the Board of Directors' functions regarding the nomination and compensation of directors and other officers, the Company has established a "Nomination and Compensation Committee" as a voluntary committee. This committee is chaired by an Independent External Director and consists of a total of four members, which include the Representative Director and President as well as three Independent External Directors, with Independent External Directors constituting a majority of the total number of committee members.

(3) Other

In addition to the sale of strategic shareholdings conducted in February 2026, the Company is sequentially implementing measures to enhance the effectiveness of its corporate governance, such as by changing the chairperson of the Nomination and Compensation Committee to an Independent External Director and introducing a restricted stock-based compensation plan, subject to the approval and adoption of Proposal 5 as originally proposed.

For further details regarding the Company's corporate governance structure, please refer to its Corporate Governance Report.

IV. Purpose and Details of the Response Policy

1. Purpose of the Response Policy

The Response Policy is introduced in line with the Basic Policy set out in II. above for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders.

The Company's Board of Directors believes that its shareholders should make a final decision on whether to accept a Large-Scale Acquisition from the perspective of ensuring and enhancing the corporate

value of the Company and, in turn, the common interests of its shareholders. It also believes that, for shareholders to make an appropriate decision on whether to accept the Large-Scale Acquisition after sufficient consideration, it is necessary to hold a general meeting of shareholders (Note) (“Shareholders’ Intent Confirmation Meeting”) to secure an opportunity to confirm its shareholder’s intent prior to the commencement of the Large-Scale Acquisition, and as a prerequisite for an appropriate intent confirmation, it is essential to secure necessary and sufficient information from a Large-Scale Purchaser and enough time to enable its shareholders for consideration. Therefore, the Company will introduce the Response Policy as a framework in the event a Large-Scale Acquisition is implemented, to request Large-Scale Purchasers to provide necessary information; to ensure that the effectiveness of such information provision; and to ensure sufficient time for the shareholders to carefully consider whether to implement the Large-Scale Acquisition based on such information, as follows.

The Company’s Board of Directors requests a Large-Scale Purchaser to comply with the Response Policy as above. If a Large-Scale Purchaser does not comply with the Response Policy, the Company will take certain countermeasures, respecting the Independent Committee’s opinions to the maximum extent, to ensure an opportunity to obtain decisions of shareholders in accordance with the Response Policy.

Note:“Shareholders’ Intent Confirmation Meeting” refers not only to shareholders meetings convened under the Companies Act to resolve matters stipulated in Article 295 of said Act, but also to meetings of shareholders held pursuant to equivalent procedures prescribed for shareholders meetings under the Companies Act which adopt recommendation resolutions on matters not stipulated in Article 295. The same shall apply hereinafter.

2. Outline of the Response Policy

(1) Procedures for the Response Policy

As described above, the Company believes that its shareholders should make a final decision on whether to accept a Large-Scale Acquisition. Therefore, if the invocation of countermeasures is approved at a Shareholders’ Intent Confirmation Meeting and the Large-Scale Acquisition is not withdrawn, the Company will invoke the prescribed countermeasures to ensure the corporate value of the Company and, in turn, the common interests of its shareholders, respecting the Independent Committee’s opinions to the maximum extent.

In addition, the purposes of the Response Policy are to request a Large-Scale Purchaser to provide required information as a prerequisite of the Company’s shareholders’ decision, to ensure necessary time to carefully consider whether to accept the Large-Scale Acquisition; and, based on such information, to confirm the shareholders’ intent on whether to accept the Large-Scale Acquisition at a Shareholders’ Intent Confirmation Meeting. If such purposes are not achieved, that is, if a Large-Scale Purchaser does not comply with the procedures as defined in 3. below, and intends to carry out a Large-Scale Acquisition prior to the Shareholders’ Intent Confirmation Meeting described in 3. (2)(iv) below, the Company’s Board of Directors will invoke the specified countermeasures, while respecting the Independent Committee’s opinions to the maximum extent.

(2) Establishment of the Independent Committee

With respect to the Response Policy, the Company has established the Independent Committee under the Independent Committee Rules (please refer to Appendix 1 for the outline and Appendix 2 “Career Summary of the Independent Committee Members” for an outline of the Independent Committee members) to properly apply the Response Policy, to prevent arbitrary judgements by the Company’s Board of Directors, and to secure the objectivity and rationality of such decisions. The Independent Committee shall make recommendations to the Company’s Board of Directors on whether to invoke countermeasures and other matters necessary to take actions in accordance with the Response Policy. The Company’s Board of Directors shall determine the pros and cons of invoking countermeasures, while respecting the recommendations of the Independent Committee to the maximum extent.

The Independent Committee may obtain advice from outside experts who are independent from the Company’s Board of Directors and the Independent Committee, including financial advisers, attorneys, certified public accountants, tax accountants, and other advisors, as necessary. The Company shall bear all costs incurred in obtaining such advice to a reasonable extent.

In principle, resolutions at meetings of the Independent Committee shall be made with the attendance of all incumbent members of the Independent Committee and adopted by a majority of the votes of the members present. However, in the event of an accident involving a member of the

Independent Committee or other special circumstances, a resolution may be made provided that a majority of the members of the Independent Committee are present and approved by the votes of the members present.

(3) Use of gratis allotment of stock acquisition rights as a countermeasure

When invoking the countermeasures as described in (1) above, the Company will allot to all shareholders of the Company stock acquisition rights (the "Stock Acquisition Rights") with (i) discriminatory exercise conditions that Non-Qualified Parties are not allowed to exercise the stock acquisition rights, and (ii) acquisition provisions to the effect that the Company may acquire the stock acquisition rights held by shareholders other than Non-Qualified Parties in exchange for the Company's common shares and that the Company may acquire the stock acquisition rights held by Non-Qualified Parties in exchange for different stock acquisition rights with certain exercise conditions or acquisition provisions, by means of a gratis allotment of stock acquisition rights (Article 277 through Article 279 of the Companies Act) (for details, please refer to 4. below).

(4) Acquisition of the Stock Acquisition Rights by the Company

If a gratis allotment of the Stock Acquisition Rights takes place in accordance with the Response Policy and the Company's shares are delivered to all shareholders other than Non-Qualified Parties in exchange for the Company's acquiring the Stock Acquisition Rights, the voting rights ratio pertaining to the Company's shares held by the Non-Qualified Parties will be diluted to a certain degree.

3. Details of the Response Policy (a measure to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate under the Basic Policy)

(1) Large-Scale Acquisitions subject to the Response Policy

The term "Large-Scale Acquisition" as used in the Response Policy refers to any act that is reasonably determined to constitute any of the following, excluding any acts as the Company's Board of Directors agrees in advance not to be subject to the Response Policy:

- (i) Purchases of or other acts pertaining to the Company's share certificates, etc. (Note 1) with the aim of increasing the voting rights ratio (Note 2) of a Specific Shareholder Group (Note 3) to 20% or more (including purchases and other acts by such Specific Shareholder Group in case the voting rights ratio of such Specific Shareholder Group has reached 20% or more prior to such acts; irrespective of the specific method of purchase, including market transactions and tender offers, and also including, but not limited to, the commencement of a tender offer; the same shall apply hereinafter);
- (ii) Purchases of or other acts pertaining to the Company's share certificates, etc. that would result in the voting rights ratio of a Specific Shareholder Group reaching 20% or more; or
- (iii) Regardless of whether any of the acts stipulated in items (i) and (ii) above is conducted, an act that is conducted between a Specific Shareholder Group and one or more other shareholders or other holders of the Company and that constitutes an agreement or other act as a result of which the other shareholder(s) or other holder(s) become(s) a joint holder of the Specific Shareholder Group, or any act (Note 4) that establishes a relationship whereby the Specific Shareholder Group or the other shareholder(s) or other holder(s) substantially control(s) the other or they act jointly or in concert with each other (Note 5), provided that it would result in the total ownership ratio of share certificates, etc. of that Specific Shareholder Group and the other shareholder(s) or other holder(s) accounting for 20% or more.

In addition, the term "Large-Scale Purchaser" refers to a party who conducts or is attempting to conduct a Large-Scale Acquisition alone or jointly or in concert with other parties, as above.

Note 1: The term "share certificates, etc." refers to the share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

Note 2: The term "voting rights ratio" refers to the following, depending on a specific method of acquisition or other acts of a Specific Shareholder Group:

- (i) if the Specific Shareholder Group is a holder (referring to the holder as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including those included in

the holders based on Paragraph 3 of the same Article) and its joint holder (referring to the joint holders as defined in Article 27-23, Paragraph 5 of the same Act, including those who are deemed to be joint holders based on Paragraph 6 of the same Article; the same shall apply hereinafter) of the Company's share certificates, etc. (referring to the share certificates, etc. as defined in Article 27-23, Paragraph 1 of the same Act), the ownership ratio of share certificates, etc. (referring to the ownership ratio of share certificates, etc. as defined in Article 27-23, Paragraph 4 of the same Act) of such holder. In this case, the number of share certificates, etc. (referring to the number of share certificates, etc. held as defined in the same paragraph) held by the joint holders of the relevant holder is also taken into account in the calculation, provided that the "total number of share certificates, etc. issued by that issuer" (the divisor in the calculation of the ownership ratio of share certificates, etc.) as defined in the same paragraph will be read as the "total number of the share certificates, etc. issued by that issuer (excluding the shares held as treasury shares by that issuer)"; or

- (ii) if the Specific Shareholder Group is a party who performs purchases and other acts of the Company's share certificates, etc. (referring to the share certificates, etc. as defined in Article 27-2, Paragraph 1 of the same Act) and its specially related party (referring to a specially related party defined in Article 27-2, Paragraph 7 of the same Act; the same shall apply hereinafter), the shareholding ratio of share certificates, etc. (referring to the shareholding ratio of share certificates, etc. as defined in Article 27-2, Paragraph 8 of the same Act) of the party who performs purchases and other acts and its specially related party.

In calculating the ownership ratio of share certificates, etc., (a) a specially related party as defined in Article 27-2, Paragraph 8 of the same Act; (b) investment banks, securities firms and other financial institutions that have concluded financial advisory agreements with the holder or its joint holder, tender offer agents, underwriting securities companies, attorneys, accountants, tax accountants and other advisors of these parties; and (c) a party who has acquired or succeeded to the Company's share certificates, etc. from a party falling under (a) or (b) above through an off-market negotiated transactions or Tokyo Stock Exchange's on-market off-floor trading system (ToSTNet-1) are deemed joint holders of such holders under the Response Policy unless the Company's Board of Directors certifies that such party does not pose any problem from the perspective of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders. Also, in calculating the shareholding ratio of share certificates, etc., joint holders (including those who are deemed joint holders in the Response Policy) are, under the Response Policy, deemed specially related parties of the party who performs the purchase and other acts. Please note that, in calculating the ownership ratio of share certificates, etc., and the shareholding ratio of share certificates, etc., the total number of issued shares (referring to those defined in Article 27-23, Paragraph 4 of the same Act), the number of treasury shares held by the issuer, and the total number of voting rights (referring to those defined in Article 27-2, Paragraph 8 of the same Act) may be referred to in the most recently submitted securities report, semiannual securities report and share certificate purchase status report.

Note 3: The term "Specific Shareholder Group" refers to the following:

- (i) Holders of the Company's share certificates, etc. and their joint holders;
- (ii) Parties who perform purchase, etc. (referring to the purchase, etc. as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act, including those performed in the commodity market) of the Company's share certificates, etc. (referring to the share certificates, etc. as defined in Article 27-2, Paragraph 1 of the same Act) and their specially related party;
- (iii) Parties related with the above (i) or (ii) (referring to a group consisting of such parties and investment banks, securities firms and other financial institutions that have concluded financial advisory agreements with such parties; any other parties who share a substantial common interest with such parties; tender offer agents, attorneys, accountants, tax accountants and other advisors; or those reasonably recognized by the Company's Board of Directors as parties substantially controlled by, or acting jointly or in concert with such parties); and
- (iv) A party who has acquired or succeeded to the Company's share certificates, etc. from a party falling under (i) through (iii) above through an off-market negotiated transactions or Tokyo Stock Exchange's on-market off-floor trading system (ToSTNet-1).

Note 4: Whether or not an act specified in item (iii) of the main text has been conducted will be reasonably determined by the Company's Board of Directors, which will respect the

recommendations of the Independent Committee to the maximum extent. Please note that the Company's Board of Directors may request the Company's shareholders to provide necessary information to the extent that is required for making a judgment regarding whether the relevant act satisfies the requirements as defined in (iii) of the main text.

Note 5: Determination as to whether a "a relationship whereby the Specific Shareholder Group or the other shareholder(s) or other holder(s) substantially control(s) the other or they act jointly or in concert with each other" has been established between them will be made based on certain factors such as the current or past capital relationship (including a relationship of joint control), business alliance relationship, business or contractual relationship, relationship of interlocking directorate, financing relationship, credit granting relationship, purchase status of the Company's share certificates, etc., exercise status of voting rights attached to the Company's share certificates, etc., and a substantial interest in the Company's share certificates, etc. through derivatives, stock lending, and other transactions, as well as direct or indirect effects on the Company caused by that Specific Shareholder Group and the other shareholder(s) or other holder(s) and in accordance with the Criteria for Determination of Joint or Cooperative Activities (Appendix 3; provided, however, that the Independent Committee may revise the criteria to a reasonable extent in light of amendments made to the Companies Act, the Financial Instruments and Exchange Act, or any other relevant laws and regulations, including rules, cabinet orders, cabinet office ordinances, and ministerial ordinances thereunder, as well as the rules of the financial instruments exchanges on which the Company's shares are listed (collectively, the "Laws and Regulations"; such amendments include any changes in their names or the enactment of successor laws and regulations; the same shall apply hereinafter) or trends in court decisions, and other factors).

Furthermore, under the Response Policy, if, at the time of announcing the introduction of the Response Policy, the voting rights ratio of a Specific Shareholder Group has already reached 20% or more or if the total ownership ratio of share certificates, etc. of a Specific Shareholder Group and the other shareholders or other holders has reached 20% or more based on the acts described in (iii) above, that Specific Shareholder Group shall be deemed a Large-Scale Purchaser. In relation to a Specific Shareholder Group, any new act of purchase listed in either (i) or (ii) above (for the avoidance of doubt, including an act of acquiring one new share of the Company's share certificates, etc.) or any new act conducted between a Specific Shareholder Group and the other shareholder(s) or other holder(s) listed in (iii) above shall be treated as a Large-Scale Acquisition.

Therefore, if, at the time of announcing the introduction of the Response Policy, the voting rights ratio of a Specific Shareholder Group has already reached 20% or more, or if the total ownership ratio of share certificates, etc. of a Specific Shareholder Group and the other shareholders or other holders has reached 20% or more due to the act(s) described in (iii) above, that Specific Shareholder Group is required to comply with the procedures set out in the Response Policy for any new act of purchase listed in (i) and (ii) above (for the avoidance of doubt, including an act of acquiring one new share of the Company's share certificates, etc.) as well as any new act conducted between a Specific Shareholder Group and the other shareholders or other holders described in the (iii) above.

(2) Procedures for invoking the Response Policy

The purpose of the Response Policy is to secure an opportunity for the Company's shareholders to express their opinions regarding whether to accept the implementation of the Large-Scale Acquisition, however, due to administrative procedures, holding a Shareholders' Intent Confirmation Meeting of the Company requires a reasonable period of preparation. In addition, the Response Policy is also intended to request a Large-Scale Purchaser to provide required information as a prerequisite for the Company's shareholders to carefully consider the appropriateness of the Large-Scale Acquisition and to secure sufficient time for the shareholders to conduct careful consideration based on such information.

Accordingly, the Company requests Large-Scale Purchasers to comply with the following procedures that are prescribed in the Response Policy to obtain information on the Large-Scale Acquisition from the Large-Scale Purchaser and to ensure the time required for its shareholders to carefully consider the appropriateness of the Large-Scale Acquisition, and then to certainly go through the procedures related to the Shareholders' Intent Confirmation Meeting .

(i) Submission of a Large-Scale Acquisition explanation

If a Large-Scale Purchaser intends to conduct an act deemed a Large-Scale Acquisition after the introduction of the Response Policy, the Large-Scale Purchaser shall submit a Large-Scale Acquisition explanation in writing to the Company's Board of Directors at least 60 business days prior to such Large-Scale Acquisition. In the Large-Scale Acquisition explanation, the Large-Scale Purchaser's representative shall state, in Japanese, the details that are equivalent to those to be stated in the Tender Offer Statement as defined in Article 27-3, Paragraph 2 of the Financial Instruments and Exchange Act, depending on the content and manner of the Large-Scale Acquisition intended to be carried out, sign or affix his/her name and seal, and attach a qualification certificate of the representative who has signed or affixed his/her name and seal.

Upon receipt of a Large-Scale Acquisition explanation from a Large-Scale Purchaser, the Company's Board of Directors will publicly announce that fact and, if necessary, the details thereof.

(ii) Information provision

The Company shall, within five business days at the latest after the date of receipt of the Large-Scale Acquisition explanation by the Company's Board of Directors (the first day shall not be counted; the same shall apply hereinafter), request the Large-Scale Purchaser to submit the information (the "Required Information") that is deemed to be necessary for shareholders to determine whether to accept the Large-Scale Acquisition at the Shareholders' Intent Confirmation Meeting. General items of the Required Information are as described in Appendix 4. The specifics vary depending on the attributes of the Large-Scale Purchaser and the details of the Large-Scale Acquisition. In any case, it shall be limited to the extent necessary and sufficient to enable the Company's shareholders to make their decision, and the Company's Board of Directors to form an opinion.

If the Required Information is submitted, the Company will disclose that fact and the details of such information in a timely and appropriate manner to the extent necessary or useful for shareholders to decide whether to accept the Large-Scale Acquisition. If the Company's Board of Directors reasonably determines that the information received from the Large-Scale Purchaser is insufficient for shareholders to decide whether to accept such a Large-Scale Acquisition in light of the content and manner of the Large-Scale Acquisition, it may set a reply period as necessary and, respecting the Independent Committee's opinions to the maximum extent, request the Large-Scale Purchaser to additionally provide information. In such case, the Large-Scale Purchaser should additionally provide such information to the Company's Board of Directors within the relevant time limit. In case that such information is provided, the Company will also disclose that fact and the details of such information in a timely and appropriate manner to the extent necessary or useful for shareholders to decide whether to accept the Large-Scale Acquisition.

(iii) Board of Directors Evaluation Period

The Company's Board of Directors shall set a period, not longer than 60 business days from the date of receipt of the Large-Scale Acquisition explanation from the Large-Scale Purchaser and reasonably determined by the Company's Board of Directors, as the period for the Company's Board of Directors to evaluate and consider the appropriateness of the Large-Scale Acquisition (the "Board of Directors Evaluation Period"). The Board of Directors Evaluation Period is based on business days, not calendar days, in consideration of the fact that the starting point for the period is the date of receipt of a Large-Scale Acquisition explanation, rather than the completion of information provision described in (ii) above.

In addition, if the Company's Board of Directors reasonably recognizes information and time as insufficient to conduct the above evaluation and review even after the expiration of the initial Board of Directors Evaluation Period, the Company's Board of Directors may extend the Board of Directors Evaluation Period by up to 20 business days to the reasonable extent necessary, based on the recommendations of the Independent Committee. If the Company's Board of Directors resolves to extend the Board of Directors Evaluation Period, the reason for the extension and the period of extension shall be disclosed in a timely and appropriate manner in accordance with applicable Laws and Regulations.

Any future Large-Scale Acquisition shall commence only after the Board of Directors Evaluation Period (provided, however, in case a Shareholders' Intent Confirmation Meeting is decided to be held, after the rejection of the proposal for invoking countermeasures and the

conclusion of the meeting).

(iv) Holding a Shareholders' Intent Confirmation Meeting

If the Company's Board of Directors objects to a Large-Scale Acquisition being effected and believes that countermeasures should be invoked, the Company shall, within the Board of Directors Evaluation Period, decide to hold a Shareholders' Intent Confirmation Meeting and promptly prepare for and hold the meeting to the extent reasonably practicable after such decision is made. In deciding to hold the Shareholders' Intent Confirmation Meeting, the Independent Committee's opinions shall be respected to the maximum extent. At the Shareholders' Intent Confirmation Meeting, the intent of the Company's shareholders as to whether to accept the Large-Scale Acquisition will be confirmed in the form of a vote for or against the proposal concerning the invocation of the countermeasures. In addition, at the Shareholders' Intent Confirmation Meeting, the Company's Board of Directors may present an alternative proposal aimed at ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, in lieu of the Large-Scale Acquisition. In making such proposal, the Company's Board of Directors shall respect the opinions of the Independent Committee to the maximum extent. To expedite a Shareholders' Intent Confirmation Meeting, the Company's Board of Directors may set a preliminary record date at a stage prior to deciding to hold the Shareholders' Intent Confirmation Meeting.

The shareholders will be requested to express their respective decisions on whether to accept the Large-Scale Acquisition in the form of approval or disapproval of the proposal for invoking the countermeasures proposed by the Company's Board of Directors after examining the information on the Large-Scale Acquisition. The proposal for invoking the countermeasures shall be deemed approved if the proposal is approved by a majority of the voting rights of the shareholders attending the Shareholders' Intent Confirmation Meeting. In addition, when holding a Shareholders' Intent Confirmation Meeting, the Company will announce, in a timely and appropriate manner, (i) the scope of shareholders entitled to exercise their voting rights (which scope will be appropriately determined taking into consideration recent court decisions and the manner of the Large-Scale Acquisition), (ii) the record date for exercising voting rights, (iii) the date and time of the Shareholders' Intent Confirmation Meeting, and (iv) other relevant details.

If a Shareholders' Intent Confirmation Meeting is held, a Large-Scale Purchaser shall not implement a Large-Scale Acquisition until the conclusion of the Shareholders' Intent Confirmation Meeting. If a Large-Scale Acquisition has already been implemented, the Large-Scale Purchaser shall take appropriate measures such as suspending or withdrawing purchases or extending the tender offer period.

(v) Countermeasures

If the Large-Scale Purchaser refuses to suspend or withdraw the Large-Scale Acquisition even after the shareholders of the Company approve the proposal regarding the invocation of countermeasures the Company's Board of Directors proposed at the Shareholders' Intent Confirmation Meeting, the Company's Board of Directors will invoke the following countermeasures, described in 4. below, in accordance with the shareholders' intent, respecting the Independent Committee's opinions to the maximum extent:

- (a) a gratis allotment of stock acquisition rights with discriminatory exercise conditions and acquisition provisions; and
- (b) subsequently, compulsory acquisition of the stock acquisition rights from holders other than Non-Qualified Parties in exchange for the Company's shares, thereby diluting the voting rights held by the Non-Qualified Parties.

Conversely, if the shareholders do not approve the invocation of such countermeasures at the Shareholders' Intent Confirmation Meeting, the Company's Board of Directors will not invoke the countermeasures in accordance with the shareholders' intent.

However, if the Large-Scale Purchaser fails to comply with the procedures set forth in (i) through (iii) above and attempts to carry out or continue the Large-Scale Acquisition prior to holding the Shareholders' Intent Confirmation Meeting set forth in (iv) above, it would become impossible to secure time for the Company's shareholders to carefully consider, based on the information disclosed by the Large-Scale Purchaser, whether to accept the Large-Scale Acquisition or to secure an opportunity to confirm the shareholders' intent. Accordingly, in such cases, the Company's Board of Directors may invoke the countermeasures without going

through the procedures related to the Shareholders' Intent Confirmation Meeting unless there are specific reasons for not doing so. When deciding the appropriateness of the invocation of the countermeasures, the Company's Board of Directors shall respect the Independent Committee's opinions to the maximum extent, and if the Company's Board of Directors resolves to invoke the countermeasures, the Company will disclose the fact in a timely and appropriate manner in accordance with applicable Laws and Regulations.

4. Overview of the countermeasures (gratis allotment of Stock Acquisition Rights)

The overview of the gratis allotment of Stock Acquisition Rights to be implemented as a countermeasure under the Response Policy is as follows (further details of the Stock Acquisition Rights shall be separately determined by the Company's Board of Directors upon the resolution for the gratis allotment of the Stock Acquisition Rights):

(1) Details of the Stock Acquisition Rights to be allotted

- (i) Type of shares to be issued upon exercise of the Stock Acquisition Rights
Company's shares
- (ii) Number of shares to be issued upon exercise of the Stock Acquisition Rights
The number of shares to be issued upon exercise of one Stock Acquisition Right shall be separately determined by the Company's Board of Directors.
- (iii) Amount to be contributed upon exercise of the Stock Acquisition Rights
Contribution upon exercise of the Stock Acquisition Rights shall be in cash, and the contribution shall be an amount equal to one yen multiplied by the number of shares to be issued upon exercise of each Stock Acquisition Right.
- (iv) Exercise period of the Stock Acquisition Rights
The exercisable period of the Stock Acquisition Rights shall be a specified period determined separately by the Company's Board of Directors.
- (v) Exercise conditions of the Stock Acquisition Rights
 - (a) As a general rule, Non-Qualified Parties may not exercise the Stock Acquisition Rights (including those held substantively).

"Non-Qualified Parties" refers to the parties that fall under any of the following (Note 1). In determining whether parties constitute Non-Qualified Parties (Note 2), the Company's Board of Directors shall obtain an opinion from the Independent Committee, which will be reached in accordance with the Criteria for Determination of Joint or Cooperative Activities (Appendix 3), and respect the Independent Committee's recommendations to the maximum extent.
 - (i) Large-Scale Purchasers (the Large-Scale Purchaser and its controlling shareholders, etc., as defined in Article 14-7, Paragraph 1, Item 1 of the Order for Enforcement of the Financial Instruments and Exchange Act)
 - (ii) Joint holders of the Large-Scale Purchaser (Article 27-23, Paragraphs 5 and 6 of the Financial Instruments and Exchange Act)
 - (iii) Parties with whom joint holders of the Large-Scale Purchaser have a special capital relationship (as defined in Article 9, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act) (including those with whom such parties have a special capital relationship; the same shall apply hereinafter)
 - (iv) Specially related parties of the Large-Scale Purchasers (Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act)
 - (v) Parties with whom specially related parties of the Large-Scale Purchaser have a special capital relationship (including those with whom such parties have a special capital relationship; the same shall apply hereinafter)
 - (vi) Any party the Company's Board of Directors reasonably certifies to fall under any of the following:
 - (x) Any party who was transferred or succeeded the Stock Acquisition Rights without the Company's approval from the parties falling under (i) through (vi); or
 - (y) "affiliated parties" of the parties falling under (i) through (vi) (Note 3).

Note 1: Notwithstanding the foregoing, parties that otherwise fall under the above categories shall not be deemed Non-Qualified Parties if the Company's Board of Directors determines that such party's acquisition or holding of the Company's share certificates, etc. does not harm the corporate value of the Company or, in turn, the common interest of its shareholders, or if the

Company's Board of Directors designates such parties separately at the time of the resolution regarding the gratis allotment of the Stock Acquisition Rights.

Note 2: The Company's Board of Directors may request that such parties provide the information necessary to determine whether they are Non-Qualified Parties.

Note 3: "Affiliated parties" refers to the following: investment banks, security firms, and other financial institutions that have executed financial advisory agreements with Non-Qualified Parties, as well as those having the substantively common interests with such parties; tender offer agents, attorneys, accountants, tax accountants, other advisors, or any other parties substantively controlled by, or acting jointly or in concert with Non-Qualified Parties. In determining whether any party constitutes an affiliated party in relation to an association or other fund, consideration shall be given to the substantive identity of the fund managers and other relevant circumstances.

(b) The Stock Acquisition Rights holders may exercise the Stock Acquisition Rights only if the holders submit the following to the Company:

- a document that includes representations and warranties that they do not fall into Non-Qualified Parties set forth in (v)(a) above (including, in the case of exercising the Stock Acquisition Rights on behalf of a third party, representations and warranties that such third party does not fall into Non-Qualified Parties set forth in (v)(a) above), indemnification clauses, and other matters specified by the Company;
- materials showing that they satisfy the exercise conditions required by the Company to a reasonable extent; and
- any other documents required under the Laws and Regulations.

(c) Nonresidents of Japan who are required to follow certain procedures or to satisfy prescribed conditions under applicable foreign securities laws and other Laws and Regulations to exercise the Stock Acquisition Rights may exercise the Stock Acquisition Rights only if the Company acknowledges that all the procedures have been performed and all of the exercise conditions have been satisfied. Even if the performance or satisfaction by the Company of such procedures or conditions would enable nonresident holders to exercise the Stock Acquisition Rights, the Company shall not be obligated to perform or satisfy them.

(d) The confirmation of satisfaction of the conditions set forth in (v)(c) above shall be conducted in accordance with the procedures prescribed by the Company's Board of Directors, which shall be similar to those set forth in (v)(b) above.

(vi) Acquisition provisions

The Company may acquire any unexercised Stock Acquisition Rights, either for consideration at the price determined by the Company's Board of Directors or without consideration, on the day determined by the Company's Board of Directors on or after the effective date of the gratis allotment of the Stock Acquisition Rights.

(a) In the case of invoking the countermeasure (acquisition from the Stock Acquisition Rights holders other than Non-Qualified Parties)

If the Company invokes the countermeasure under the Response Policy, it may acquire, on the day determined by the Company's Board of Directors on or after the effective date of the gratis allotment of the Stock Acquisition Rights, the unexercised Stock Acquisition Rights that are exercisable (i.e. those held by persons other than Non-Qualified Parties) pursuant to the provisions in (v)(a) and (b) above (referred to as "Eligible Stock Acquisition Rights" in (vi)(b) below), in exchange for the Company's shares in a number equivalent to the number of the Stock Acquisition Rights for acquisition multiplied by the number of the Company's shares to be issued, rounded down to the nearest whole number.

(b) In the case of invoking the countermeasure (acquisition from Non-Qualified Parties)

If the Company invokes the countermeasure under the Response Policy, it may acquire, on the day determined by the Company's Board of Directors on or after the effective date of the gratis allotment of the Stock Acquisition Rights, the unexercised Stock Acquisition Rights except for the Eligible Stock Acquisition Rights, in exchange for stock acquisition rights (the "Second Stock Acquisition Rights") that are subject to certain restrictions on exercise by Non-

Qualified Parties, including the exercise conditions and acquisition provisions set out below and other matters determined by the Company's Board of Directors, in a number equivalent to the number of the Stock Acquisition Rights to be acquired (any fractions less than one share will be disregarded).

(i) Exercise conditions

If following conditions of (x) and (y) are satisfied, or if otherwise determined by the Company's Board of Directors, the holders of the Second Stock Acquisition Rights may exercise such rights only to the extent that the voting rights ratio of the Large-Scale Purchasers after exercise, which are determined by the Company's Board of Directors, remains less than 20% or such other percentage as may be separately determined by the Company's Board of Directors (if the voting rights ratio regarding the Company's share certificate, etc. held by the Large-Scale Purchaser as of May 13, 2026 exceeds 20% or more, then in relation to such Large-Scale Purchaser, the wording "20% or such other percentage as may be separately determined by the Company's Board of Directors" is to be read as "the voting rights ratio of the Large-Scale Purchaser as of May 13, 2026"; the same shall apply hereinafter).

(x) The Large-Scale Purchaser has suspended or withdrawn its Large-Scale Acquisition and pledged in writing that it would not engage in any such activities in the future; and

(y) (a) The voting rights ratio of the Large-Scale Purchaser, which is determined by the Company's Board of Directors, is less than 20% or such other percentage as may be separately determined by the Company's Board of Directors (however, for the purpose of such calculation, any Non-Qualified Parties other than the Large-Scale Purchaser, their joint holders, or their specially related parties shall be deemed to be joint holders or specially related parties of the Large-Scale Purchaser, and any Second Stock Acquisition Rights held by Non-Qualified Parties that do not satisfy the exercise conditions shall be excluded from the calculation); or (b) in the event that the voting rights ratio of the Large-Scale Purchaser, which is determined by the Company, is equal to or more than 20% or such other percentage as may be separately determined by the Company's Board of Directors, the Large-Scale Purchaser or other Non-Qualified Parties has sold the Company's shares on the market via security firms approved by the Company, and after the sale, the voting rights ratio of the Large-Scale Purchaser, which is determined by the Company's Board of Directors, has fallen below 20% or such other percentage as may be separately determined by the Company's Board of Directors.

(ii) Acquisition provisions

On a separately determined date set by the Company's Board of Directors between the 10th and 11th anniversaries of the date on which the Second Stock Acquisition Rights were delivered, the Company may acquire any unexercised Second Stock Acquisition Rights for which the exercise conditions are not satisfied, in exchange for cash consideration equivalent to their fair value at that time.

(c) The confirmation of satisfaction of the conditions for the compulsory acquisition of the Stock Acquisition Rights shall be conducted in accordance with the procedures prescribed by the Company's Board of Directors, which shall be similar to those set forth in (v)(b) above. Furthermore, if the Company's Board of Directors deems it appropriate for the Company to acquire the Stock Acquisition Rights, the Company may acquire all outstanding Stock Acquisition Rights without consideration on a date separately determined by the Company's Board of Directors, at any time up to the day immediately preceding the commencement date of the exercise period for the Stock Acquisition Rights.

(vii) Transfer approval

Acquiring the Stock Acquisition Rights via a transfer requires the approval of the Company's Board of Directors.

(viii) Share capital and legal capital surplus

Matters regarding the increases in share capital and legal capital surplus resulting from the exercise or acquisition based on the acquisition provision of the Stock Acquisition Rights shall be determined in accordance with the Laws and Regulations.

(ix) Fractional shares

If the number of shares to be delivered upon exercise of the Stock Acquisition Rights includes

any fraction less than one share, such fraction shall be rounded down. However, if a holder of the Stock Acquisition Rights exercises multiple rights simultaneously, the number of shares to be delivered upon the exercise can be aggregated in calculating the fractional share.

- (x) Stock Acquisition Rights certificates
Certificates shall not be issued for these Stock Acquisition Rights.
- (2) Number of the Stock Acquisition Rights to be allotted to shareholders
The Stock Acquisition Rights shall be allotted at a ratio of one right per share of the Company's shares (excluding treasury shares held by the Company).
- (3) Shareholders eligible for the gratis allotment of Stock Acquisition Rights
The Stock Acquisition Rights shall be allotted to all shareholders (excluding the Company) of the Company who are recorded or registered in the final shareholders' register as of the record date separately determined by the Company's Board of Directors.
- (4) Total number of Stock Acquisition Rights
The total number of Stock Acquisition Rights shall be equal to the total number of outstanding shares (excluding treasury shares held by the Company) on the record date separately determined by the Company's Board of Directors.
- (5) Effective date of the gratis allotment of Stock Acquisition Rights
The effective date of the gratis allotment of Stock Acquisition Rights shall be a day on or after the record date and separately determined by the Company's Board of Directors.
- (6) Other matters
The gratis allotment of the Stock Acquisition Rights will become effective subject to the satisfaction of either of the following conditions:
 - (i) the gratis allotment of the Stock Acquisition Rights is approved by the Shareholders' Intent Confirmation Meeting and the Large-Scale Acquisition is not suspended or withdrawn (and, in the event that it is reasonably confirmed ex post facto that a Large-Scale Acquisition has been conducted, the holding of the Company's shares or the like that constitutes such Large-Scale Acquisition, or the specific possibility thereof, is not eliminated within a reasonable period determined by the Company's Board of Directors based on the recommendation of the Independent Committee); or
 - (ii) the Large-Scale Purchaser fails to comply with the procedures set forth in 3.(2) above and attempts to carry out the Large-Scale Acquisition (including additional acquisition of the Company's share certificates, etc.) (and, in the event that it is reasonably confirmed ex post facto that a Large-Scale Acquisition has been conducted, the holding of the Company's shares or the like that constitutes such Large-Scale Acquisition, or the specific possibility thereof, is not eliminated within a reasonable period determined by the Company's Board of Directors based on the recommendation of the Independent Committee).Furthermore, even after initiating procedures for the gratis allotment of the Stock Acquisition Rights as an invocation of a countermeasure, if the Company's Board of Directors determines that it is no longer necessary to invoke that countermeasure (for example, where the Large-Scale Purchaser withdraws the Large-Scale Acquisition and pledges, in writing, not to engage in any such acquisition in the future), it may suspend or withhold the invocation of that countermeasure.
If the Company's Board of Directors resolves to suspend or withdraw a countermeasure that has already been invoked, it shall promptly disclose such decision.

5. Impact on shareholders and investors

- (1) Impact on shareholders and investors upon introduction of the Response Policy
Since the gratis allotment of the Stock Acquisition Rights does not occur at the time of introduction of the Response Policy, there is no direct specific impact on the legal rights or economic interests of shareholders and investors.
- (2) Impact on shareholders and investors at the time of the gratis allotment of the Stock Acquisition Rights
Shareholders as of the record date will receive the Stock Acquisition Rights without consideration

at a ratio of one right for each share held. Accordingly, on the assumption that such rights are exercised, there will be no dilution in the value of the Company's shares held by shareholders.

However, if shareholders do not exercise the Stock Acquisition Rights within the exercise period, the value of the Company's shares of such shareholders will be diluted due to the exercise of the Stock Acquisition Rights by the other shareholders. That said, in principle, the Company intends to collectively and compulsorily acquire all of the Stock Acquisition Rights prior to the commencement of the exercise period pursuant to the acquisition provisions attached thereto, and deliver the Company's shares to the holders of those Stock Acquisition Rights that satisfy the prescribed exercise conditions. If the Company takes such acquisition procedures, shareholders other than Non-Qualified Parties will receive the Company's shares without exercising the Stock Acquisition Rights or paying the cash amount equivalent to the exercise price. In this case, the value per share that has already been held by shareholders will be diluted, but the value of the Company's shares held as a whole, including the newly issued shares, will not be diluted.

In the event that the Company cancels the gratis allotment of the Stock Acquisition Rights or makes compulsory acquisition of the Stock Acquisition Rights allotted without consideration after the shareholders who are to receive the gratis allotment of the Stock Acquisition Rights have been determined, the dilution of the value per Company's share will not occur. Therefore, investors who have traded based on the assumption that the value per Company's share will be diluted may suffer commensurate damage depending on fluctuations in the share price.

Accordingly, investors should note that even after the Company resolved to implement the gratis allotment of the Stock Acquisition Rights, whether the value of the Company's shares is diluted or not depends on various circumstances.

As the exercise or acquisition of the Stock Acquisition Rights is accompanied by discriminatory conditions, the legal rights or economic interests of Non-Qualified Parties may be diluted upon such exercise or acquisition. Even in such cases, there will be no direct specific impact on the legal rights or economic interests pertaining to the Company's shares of shareholders other than Non-Qualified Parties. Nonetheless, the transfer of the Stock Acquisition Rights is restricted. Therefore, if shareholders receive the Company's shares as a result of the exercise of, or the Company's acquisition of, the Stock Acquisition Rights after the allotment date, the recovery of the invested capital through the transfer of such shares may be restricted, to that extent, with respect to the portion of the value of the shares attributable to the Stock Acquisition Rights, until such shares are recorded in the shareholders' transfer accounts.

If the Large-Scale Purchaser complies with the procedures set forth in 3.(2) above and the approval of the Company's shareholders regarding the proposal for the invocation of the countermeasures cannot be obtained at the Shareholders' Intent Confirmation Meeting, the gratis allotment of the Stock Acquisition Rights will not be carried out. Furthermore, even after the Company initiates the procedures for the gratis allotment of the Stock Acquisition Rights as an invocation of a countermeasure, if the Company's Board of Directors determines that it is no longer necessary to invoke such countermeasure (for example, where the Large-Scale Purchaser withdraws the Large-Scale Acquisition and pledges, in writing, not to engage in any such acquisition in the future), the Company may suspend or withhold the invocation of the countermeasure (in that case, the Company discloses the fact in an appropriate and timely manner in accordance with applicable Laws and Regulations). Shareholders and investors who have traded based on the assumption that the value per Company's share will be diluted may suffer commensurate damage depending on fluctuations in the share price.

(3) Procedures for shareholders and investors at the time of the gratis allotment of the Stock Acquisition Rights

(a) Procedures at the time of the gratis allotment of the Stock Acquisition Rights

If the Company's Board of Directors resolves to make a gratis allotment of the Stock Acquisition Rights, the Company will set the record date of the gratis allotment of the Stock Acquisition Rights (the "Allotment Date") and disclose the fact in timely and appropriate manner. In this case, the Company will make a gratis allotment of Stock Acquisition Rights in a number corresponding to the number of common shares held by the shareholders recorded in the Company's final register of shareholders as of the Allotment Date. Accordingly, the shareholders recorded or registered in the final register of shareholders will automatically receive the Stock Acquisition Rights without further procedures.

(b) Procedures for exercising the Stock Acquisition Rights

In principle, the Company will send an exercise request form (which shall be in a form prescribed by the Company and contain necessary matters such as the terms and number of the Stock Acquisition Rights for exercise, the exercise date for the Stock Acquisition Rights, the transfer accounts (other than special accounts) for registry of the Company's shares, as well as representations and warranties including those to the effect that the shareholders themselves satisfy the exercise conditions of the Stock Acquisition Rights, indemnity clauses, and other covenants) and other documents necessary to be submitted for the exercise of the Stock Acquisition Rights to the shareholders who are recorded or registered in the final shareholders' register as of the record date separately determined by the Company's Board of Directors. After the Stock Acquisition Rights are allotted, shareholders submit those documents within the exercise period. Then, shareholders will receive the number of Company's shares determined by the Company's Board of Directors per Stock Acquisition Right by paying an amount equal to one yen multiplied by the number of shares to be issued, through the designated paying agent.

Pursuant to the provisions of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc., the Company's shares to be issued as a result of the exercise of the Stock Acquisition Rights cannot be recorded in special accounts. Accordingly, shareholders who wish to exercise the Stock Acquisition Rights must open a transfer account, such as a securities account.

(c) Procedures for the acquisition of the Stock Acquisition Rights by the Company

With respect to the Stock Acquisition Rights allotted to shareholders, the exercise conditions and procedures are prescribed as described in Section 4.(1) above. However, in principle, the Company intends to collectively and compulsorily acquire all of the Stock Acquisition Rights prior to the commencement of the exercise period pursuant to the acquisition provisions attached thereto, and deliver the Company's shares to the holders of those Stock Acquisition Rights that satisfy the prescribed exercise conditions. In such a case, the Company will make a public announcement at least two weeks prior to the acquisition date in accordance with Laws and Regulations, and then acquire them.

If the Company acquires the Stock Acquisition Rights based on the acquisition provisions set forth in section 4.(1)(vi) above, shareholders will receive the Company's shares in exchange for the Company's acquisition of the Stock Acquisition Rights without paying cash equivalent to the exercise price. In such a case, shareholders do not have to pay any cash but may have to take certain procedures to set up a transfer account for the registry of the Company's shares to be issued.

However, Non-Qualified Parties are subject to different treatment from other shareholders with respect to matters concerning the exercise or acquisition of the Stock Acquisition Rights. As set forth in Section 4.(1)(vi)(b) above, the Stock Acquisition Rights held by Non-Qualified Parties will be acquired by the Company in exchange for the Second Stock Acquisition Rights.

(d) Other

The Company will disclose the details of each procedure above in a timely and appropriate manner as required by Laws and Regulations when such procedures become necessary. Please confirm the relevant details.

V. Reasonableness of the Response Policy

1. The Response Policy reflects the spirit and intent of the guidelines concerning takeover defense measures introduced during the normal phase

Although the Response Policy differs from the so-called advance warning-type takeover defense measures introduced during the normal phase, it is based on the following: the content of "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005; the suggestions of "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry on June 30, 2008; "Guidelines for Corporate Takeovers -Enhancing Corporate Value and Securing Shareholders' Interests-" published by the Ministry of Economy, Trade and Industry on August 31, 2023; the rules on the introduction of takeover defense measures stipulated by Tokyo Stock Exchange in relation to takeover defense measures introduced during the normal phase; and the purpose of

“Principle 1.5 Anti-Takeover Measures” of Japan’s Corporate Governance Code (after the revision on June 11, 2021) which Tokyo Stock Exchange introduced due to Revisions to the Securities Listing Regulations and started implementation in June 2015. The Company believes that the Response Policy satisfies the requirements for response policies during an emergency phase, specified in these guidelines and rules.

2. Respect for shareholders’ intent (a mechanism that ensures that the shareholders’ intent will be directly reflected in the decision)

The Response Policy was introduced by a resolution at the Company’s Board of Directors at its meeting held on May 13, 2026, and took effect as of the same date. Its initial effective period lasts until the conclusion of the first meeting of the Company’s Board of Directors to be held after the Meeting. Based on the Company’s belief that the ultimate decision on whether to accept a Large-Scale Acquisition should be made by its shareholders, and in order to more fully reflect the intent of the shareholders, the Company decided, at the Board of Directors meeting held on the same date, to submit this proposal as an agenda item at the Meeting. If this proposal is not approved by the Company’s shareholders at the Meeting, the Response Policy will end upon the expiration of its effective period in accordance with the will of the Company’s shareholders.

When the invocation of countermeasures is carried out under the Response Policy, the Company will hold a Shareholders’ Intent Confirmation Meeting to reflect their intent. This is a mechanism that ensures that the decision on whether to invoke the countermeasures will be made only if the Large-Scale Purchaser complies with the procedures set out in IV.3.(2) above and only if such decision is in accordance with the shareholders’ intent expressed at the Shareholders’ Intent Confirmation Meeting.

Furthermore, if the Large-Scale Purchaser fails to comply with the procedures set forth in IV.3.(2) above and attempts to carry out a Large-Scale Acquisition, the countermeasures may be invoked solely by resolution of the Company’s Board of Directors, respecting the opinions of the Independent Committee to the maximum extent. However, this would result from the Large-Scale Purchaser’s own decision to proceed without providing the Company’s shareholders with an opportunity to carefully consider sufficient and necessary information and to determine whether to approve or disapprove the Large-Scale Acquisition, and accordingly, the Company believes that the invocation of countermeasures against such a Large-Scale Acquisition, which disregards the shareholders’ intent, is unavoidable in order to ensure the corporate value of the Company and, in turn, the common interests of its shareholders. Notwithstanding the foregoing, even in cases where the Large-Scale Purchaser does not comply with the procedures set forth in IV.3.(2) above, in invoking countermeasures, the Company’s Board of Directors may, at its own discretion, make such invocation subject to approval at a Shareholders’ Intent Confirmation Meeting in order to respect the intent of the Company’s shareholders to the maximum extent possible.

In this way, the Response Policy maximizes respect for the intent of the Company’s shareholders.

3. Elimination of arbitrary decisions by the Company’s Board of Directors

As stated in 2. above, the Company will hold a Shareholders’ Intent Confirmation Meeting and decide whether the Company will invoke the countermeasures against the Large-Scale Acquisition in accordance with the shareholders’ intent. As long as the Large-Scale Purchaser complies with the procedures set forth in IV.3.(2) above, the decision on whether to invoke the countermeasures will be made in accordance with the Shareholders’ Intent Confirmation Meeting. Therefore, the countermeasures will not be invoked at the arbitrary discretion of the Company’s Board of Directors.

Furthermore, as stated in IV.2.(2) above, in order to ensure the necessity and appropriateness of the Response Policy and to prevent its abuse for the sake of the management’s self-preservation, the Company has established that it will always obtain recommendations from the Independent Committee regarding matters necessary for determining whether to invoke countermeasures or take other actions in accordance with the Response Policy.

The Company’s Board of Directors shall respect the Independent Committee’s opinions to the maximum extent possible in order to ensure the fairness of its decisions and to eliminate arbitrary decisions by the Company’s Board of Directors. In addition, the Independent Committee may, as necessary, seek advice from external experts (such as financial advisors, attorneys, certified public accountants, and tax accountants) who are independent of both the Company’s Board of Directors and the Independent Committee. As a result, the objectivity and reasonableness of the Independent Committee’s decisions are ensured.

Therefore, the Response Policy is designed to eliminate arbitrary decisions by directors.

4. No Dead-hand takeover defense measures nor slow-hand takeover defense measures

As stated in VI. below, the Response Policy may be terminated at any time by a resolution of the

Company's Board of Directors appointed by the general meeting of shareholders of the Company. That makes the Response Policy not being a dead-hand takeover defense measure (a takeover defense measure in which even if a majority members of a board of directors are replaced, the invocation of the countermeasures cannot be stopped). Also, the Response Policy is not a slow-hand takeover defense measure (a takeover defense measure in which the invocation of the countermeasures takes more time to stop due to the fact that all members of a board of directors cannot be replaced at once).

VI. Abolition Procedure and Effective Period of the Response Policy

The Response Policy took effect as of May 13, 2026, and its initial effective period lasts until the conclusion of the first meeting of the Company's Board of Directors meeting to be held after the Meeting. If this proposal is approved by the Company's shareholders at the Meeting, the effective period of the Response Policy shall continue until the conclusion of the first meeting of the Company's Board of Directors to be held after the conclusion of the annual general meeting of shareholders pertaining to the last fiscal year ending within one year after the conclusion of the Meeting (the "Next Annual General Meeting of Shareholders"). On the other hand, if this proposal is not approved by the Company's shareholders at the Meeting, the Response Policy will end upon the expiration of its effective period in accordance with the will of the Company's shareholders.

In addition, if this proposal is approved by the Company's shareholders at the Meeting and the effective period of the Response Policy continues until the conclusion of the first meeting of the Company's Board of Directors to be held after the conclusion of the Next Annual General Meeting of Shareholder and if, at the time of the conclusion of the first meeting of the Company's Board of Directors to be held after the Next Annual General Meeting of Shareholders, a person who is carrying out a Large-Scale Acquisition or a person who contemplates carrying out such act and is specified as such by the Company's Board of Directors actually exists, the effective period of the Response Policy shall be extended to the extent necessary to respond to such Large-Scale Acquisition actually being carried out or contemplated.

Please note that, as stated above, the Response Policy is to be introduced with the main purpose of responding to the Large-Scale Acquisition by Be Brave or other parties in light of the already concrete Share Buy Up, and therefore the Company does not intend to maintain the Response Policy once it is determined that there is no longer any concern that a specific Large-Scale Acquisition will be carried out.

Even before the expiration of the effective period, if the Company's Board of Directors resolves to terminate the Response Policy, the Response Policy shall be terminated at that time.

VII. Other Matters

In the event that Laws and Regulations are amended and such amendments come into effect, the provisions of the Laws and Regulations referenced in the Response Policy shall, unless otherwise determined by the Company's Board of Directors, be deemed to be replaced with the provisions of the amended Laws and Regulations that substantially succeed the former provisions.

End

Outline of the Independent Committee Rules

- The Independent Committee shall be established by resolution of the Company's Board of Directors.
- The Independent Committee shall consist of three (3) or more members. The members shall be appointed by the Company's Board of Directors from among persons who are either (i) External Directors of the Company, (ii) External Audit & Supervisory Board Members of the Company, or (iii) outside experts and who are independent from the management in charge of business execution of the Company. Outside experts shall be senior corporate executives with a proven track record, ex-government officials, persons who are acquainted with investment banking business or the Company's business domains, attorneys, certified public accountants, scholars mainly studying the Companies Act of Japan and the like, or persons equivalent thereto, who shall enter into an agreement with the Company containing a clause for the duty of due care of a prudent manager, etc. designated separately by the Company's Board of Directors.
- The term of office of a member of the Independent Committee shall expire at the conclusion of the first Company's Board of Directors meeting that will be held after the annual general meeting of shareholders for the last fiscal year ending within one (1) year from the time of his or her appointment. However, it shall not apply if the Company's Board of Directors resolves otherwise. The term of office of a member of the Independent Committee who is an External Director or External Audit & Supervisory Board Member of the Company shall expire at the same time if the member is no longer an External Director or External Audit & Supervisory Board Member of the Company (except when reappointed). Notwithstanding the foregoing, if the Response Policy is terminated during the term of office of a member of the Independent Committee, the term of office of a member of the Independent Committee shall expire on the date of such termination.
- The Independent Committee shall decide the matters listed in the following items and recommend its decisions to the Company's Board of Directors clarifying the basis of the decisions. Each Independent Committee member shall make deliberations and resolutions solely from the perspective of whether the matter in question contributes to the corporate value of the Company and, in turn, the common interest of its shareholders and shall not do so for the purpose of seeking personal benefits for him/herself or the management of the Company:
 - (i) whether countermeasures under the Response Policy should be invoked;
 - (ii) suspension of the invocation of countermeasures under the Response Policy;
 - (iii) in addition to (i) and (ii) above, matters for which the Independent Committee is authorized to perform under the Response Policy; and
 - (iv) any other matters related to the Response Policy that the Company's Board of Directors voluntarily consults with the Independent Committee.
- The Independent Committee may have Directors, Audit & Supervisory Board Member, and employees of the Company or any other persons deemed necessary by the Independent Committee attend its meeting and request their explanation about matters specified by the Independent Committee in order to collect necessary information.
- The Independent Committee may, at the cost of the Company, obtain advice from independent third parties (including financial advisors, certified public accountants, attorneys, tax accountants, consultants, and other advisors).
- Each Independent Committee member may convene the Independent Committee at any time in cases of the purchase, etc.
- The chairperson of the Independent Committee shall be elected by mutual vote among the Independent Committee members.
- A resolution of the Independent Committee shall, in principle, be made with the attendance of all members of the Independent Committee (including attendance via online conference or conference call; the same shall apply hereinafter) and adopted by a majority of the votes of the members present. However, in the event of an accident involving a member or other unavoidable circumstances, a resolution may be made provided that a majority of the Independent Committee members are present and approved by a majority of the votes of the members present.

End

Career Summary of the Independent Committee Members

Upon the initial introduction of the Response Policy, the Company appointed three Independent External Directors of the Company, namely Mr. Norio Kotaka, Ms. Chika Tanaka, and Mr. Kiyokazu Sugiyama, as members of the Independent Committee. However, after considering factors such as the flexibility of the Independent Committee's activities, if this proposal is approved by the shareholders of the Company and provided that Proposal 2 is approved and adopted as originally proposed, the Company plans to appoint the following three (3) persons as members of the Independent Committee following the Meeting.

Name: Norio Kotaka

Date of Birth: June 17, 1962

Career Summary:

April 1986	Joined MITSUI & CO., LTD.
January 1995	Representative Director and President of Full-Steri Corp.
March 1997	Representative Director and President of Dainichi Jitsugyo Co., Ltd.
August 1997	President of DAINICHI KASEI KOUGYOU Co., Ltd.
June 2006	CEO of atect Corp.
May 2007	Representative Director of atect Korea Corp.
January 2010	CEO of atect Progressive and Innovative Manufacturing Corp. (currently atect Engineering Corp.)
August 2010	Chairman of atect Shanghai Corp.
November 2010	Chairman of ATECT TAIWAN CORPORATION
February 2021	CEO of atect Corp.
June 2021	External Director of the Company (current position)

Mr. Kotaka is currently an External Director of the Company. The Company has notified the Tokyo Stock Exchange that he is an independent officer of the Company.

There is no special interest between Mr. Kotaka and the Company.

Name: Chika Tanaka

Date of Birth: February 27, 1971

Career Summary:

October 1999	Joined WORK COMPANY LIMITED
November 2012	Director of WORK COMPANY LIMITED
February 2015	Representative Director and Vice President of WORK COMPANY LIMITED
August 2015	President/C.E.O. of WORK COMPANY LIMITED (current position)
June 2021	External Director of the Company (current position)
March 2023	Representative Director of Patec Co., Ltd. (current position)

Ms. Tanaka is currently an External Director of the Company. The Company has notified the Tokyo Stock Exchange that she is an independent officer of the Company.

There is no special interest between Ms. Tanaka and the Company.

Name: Masao Mizobuchi

Date of Birth: March 28, 1982

Career Summary:

October 2006 Registered as an attorney and joined the Osaka Bar Association

October 2006 Joined the Kyoei Law Office (current position)

April 2015 Adjunct Lecturer of the Kwasei Gakuin University Graduate School of Law

April 2016 Visiting Professor of the Ritsumeikan University School of Law

April 2019 Specially Appointed Professor of the Osaka Metropolitan University Graduate School of Law (current position)

March 2025 External Audit & Supervisory Board Member (current position)

Mr. Mizobuchi is currently an External Audit & Supervisory Board Member of the Company. The Company has notified the Tokyo Stock Exchange that he is an independent officer of the Company.

There is no special interest between Mr. Mizobuchi and the Company.

End

Criteria for Determination of Joint or Cooperative Activities

These criteria are used to determine, in identifying “Non-Qualified Parties,” including Large-Scale Purchasers as defined in the Response Policy, whether a party falls under the category of “any other parties substantively controlled by, or acting jointly or in concert with such parties.”. These criteria shall also be used to determine whether a “Large-Scale Acquisition” has occurred, which is a prerequisite for certifying a party as a “Large-Scale Purchaser,” to assess whether a “relationship whereby the Specific Shareholder Group or the other shareholder(s) or other holder(s) substantially control(s) the other or they act jointly or in concert with each other relationship” has been established.

A determination should be made by means of a comprehensive assessment of the factors set out below with respect to the person subject to determination (including the parent company, subsidiaries, and other actors that should be considered equivalent to the person subject to determination; the “Subject”), additionally taking into account the existence or absence of any direct or indirect facts that suggest the absence of communication of intent between the Subject and the specific shareholder of the Company.

The term “Purchaser” includes the parent company and subsidiaries of the Purchaser (collectively with the Purchaser, the “Purchaser Group”) and the directors, officers and major shareholders of the Purchaser Group.

1. Does the timing of the Subject’s acquisition of the share certificates, etc. of the Company coincide with actions by the Purchaser to acquire substantive control of or influence over the Company’s management, such as acquisition of the share certificates, etc. of the Company by the Purchaser or an act of making an important proposal, etc. by the Purchaser?
2. Does the quantity of the share certificates, etc. of the Company acquired by the Subject amount to a significant quantity?
3. Is the timing of the Subject’s commencement of acquisition of the share certificates, etc. of the Company close in time to (a) the commencement of actions by the Purchaser to acquire substantive control of or influence over the Company’s management, such as the commencement of acquisition of the share certificates, etc. of the Company by the Purchaser or an act of obtaining control over the management of the Company or making an important proposal, etc. by the Purchaser or (b) an event related to the actions of the Purchaser, such as the record date of a shareholder meeting for the purpose of determining matters related to the Response Policy?
4. Is there any commonality in the characteristics of the timing or manner of the acquisitions of the Company’s share certificates, etc. by the Subject and the Purchaser, such as both acquiring the Company’s share certificates, etc. during periods when market trading conditions are abnormal (for example, when the trading volume is significantly higher than average or when the share price is substantially above the recent average), or in whether margin trading or other methods are used?
5. Has the Subject held share certificates, etc. of other listed companies in which the Purchaser holds (or has held) share certificates, etc., and does the timing of the Purchaser acquisition and holding of those share certificates, etc. overlap with that of the specific shareholder?
6. During a period of overlap under Item 5 above, was the Subject’s exercise of shareholder rights (common rights) in those other listed companies (other listed companies in which both of the Purchaser and the Subject were shareholders) consistent with the Purchaser’s exercise of the same? If so, to what degree were they consistent in light of the class and nature of the shareholder rights, the results of the exercise of those rights, and similar factors?
7. If a director or other officer of another listed company under Item 5 above was elected or dismissed as a result of the exercise of voting rights or other common rights by the Subject and the Purchaser (and any shareholder other than the Subject whose exercise of voting rights or other common rights is consistent with that of the Purchaser), did any potential for damage to the medium- to long-term corporate value or shareholder value of that other listed company arise during the term of office of the relevant officer after the change in question (for example, the actual or potential occurrence of an event constituting a material violation of law, delisting, designation as a security on special alert, bankruptcy or other legal insolvency proceedings, or issuance of shares or stock acquisition rights involving significant dilution)? If so, what was the likelihood of damage to medium- to long-term corporate value or shareholder value?
8. Is there, or has there ever been, any direct or indirect relationship of investment, lending, or the like between the Subject and the Purchaser?
9. Is there, or has there ever been, any direct or indirect relationship of concurrent appointment of officers,

kinship (including de facto marriage and other de facto kinship relationships; the same shall apply hereinafter), business relationship, or personal relationship between alumni or otherwise in a community between the Subject and the Purchaser, or a relationship in which either the Subject or the Purchaser is or was an employee, partner, or other member of the other?

10. Was the Subject's exercise of shareholder rights (common rights) in the Company consistent with the Purchaser's exercise of the same? If so, to what degree were they consistent in light of the kind and nature of the shareholder rights, the results of the exercise of those rights, and similar factors? (This Item 10 shall not be used as the sole basis for a determination that the Subject is a Non-Qualified Party.)
11. Are the Subject's statements and behavior regarding the Company's business and management policies similar to those of the Purchaser? If so, to what degree are they similar in light of the timing and details of the statements and behavior? (This Item 11 shall not be used as the sole basis for a determination that the Subject is a Non-Qualified Party.)
12. Does the agent or advisor of the Subject have a (direct or indirect) relationship with the Purchaser that facilitates communication, such as current or past membership of the same firm, corporation, or organization as the agent or advisor of the Purchaser, a business alliance, experience collaborating on similar matters, and/or a family relationship or other personal relationship?
13. Are there any other direct or indirect facts that suggest the existence of communication of intent between the Subject and the Purchaser?

End