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Securities code: 8089

June 5, 2026

(Commencement date of measures for electronic provision: June 4, 2026)

To Shareholders with Voting Rights:

Hironori Tsudo
Representative Director and President
Nice Corporation
4-33-1 Tsurumichuo, Tsurumi-ku,
Yokohama-shi

NOTICE OF THE 77TH 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 77th Annual General Meeting of Shareholders of Nice Corporation (the “Company”) will be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights in advance via the Internet or in writing (by mail). Please review the “Reference Documents for the General Meeting of Shareholders” (available on the websites mentioned below and on page 3 and thereafter of this notice) to exercise your voting rights no later than 5:00 p.m. on Thursday, June 25, 2026, Japan Standard Time.

1. Date and Time: Friday, June 26, 2026 at 10:00 a.m. Japan Standard Time

2. Place: “George V,” 3rd Floor, YOKOHAMA HOTEL PLUMM
2-9-1 Kitasaiwai, Nishi-ku, Yokohama-shi

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company’s 77th Fiscal Year (April 1, 2025 to March 31, 2026) and Audit Reports of the Accounting Auditor and the Board of Corporate Auditors regarding the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 77th Fiscal Year (April 1, 2025 to March 31, 2026)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Ten (10) Directors

Proposal 3: Authorization of Gratis Allotment of Stock Acquisition Rights as Countermeasures against Large-Scale Acquisitions of the Company Shares

If you attend the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

In convening this General Meeting of Shareholders, measures for electronic provision will be implemented for the information contained in the Reference Documents for the General Meeting of Shareholders, Business Report, etc. (matters subject to the measures for electronic provision), which will be posted on the Company's website on the Internet. You are kindly requested to access the following website and check the information.

Company's website

<https://www.nice.co.jp/shareholder/disclosure/> (in Japanese)

In addition to the above, the information is also available on the website of the Tokyo Stock Exchange. Please access the following website, enter and search for the Company's name or securities code, select "Basic information" and "Documents for public inspection/PR information," in that order, and inspect the information posted in "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting" under "Filed information available for public inspection."

Tokyo Stock Exchange's website (Listed Company Search)

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

The following items are excluded from the paper copy sent to shareholders in accordance with laws and regulations and Article 19 of the Articles of Incorporation of the Company. Accordingly, such paper copy is part of the documents audited by Corporate Auditors and Accounting Auditor in preparing the audit report.

"System to Ensure the Appropriateness of Business Operations and the Status of its Implementation"

"Basic Policy for the Control of the Company," "Consolidated Statements of Changes in Equity" and

"Notes to the Consolidated Financial Statements"

"Non-consolidated Statements of Changes in Equity" and "Notes to the Non-consolidated Financial Statements"

If any revisions are made to the matters subject to the measures for electronic provision, revised contents will be posted on the above websites on the Internet.

Any changes to the holding or operation of the General Meeting of Shareholders will be announced on the Company's website (<https://www.nice.co.jp>). You are kindly requested to check the information on this website before attending the meeting.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

Matters concerning year-end dividend

With regard to the appropriation of surplus, the Company's basic policy is to maintain or increase dividend per share (excluding commemorative dividends, etc.) by introducing progressive dividends to shareholders in line with sustainable growth over the medium to long term, while taking into consideration capital needs for future growth and strengthening of competitiveness, and other factors.

Based on the above basic policy on dividends and comprehensive consideration of the results of the fiscal year ended March 31, 2026, the Company proposes to pay the year-end dividend for the 77th fiscal year to shareholders as of March 31, 2026, as follows.

1. Type of dividend property

Cash

2. Matters concerning the allotment of dividend property and the total amount

The Company proposes to pay 44 yen per share of its common stock.

In this case, the total amount of dividends will be 538,674,444 yen.

As a result, the annual dividends will be 72 yen per share, including the interim dividend of 28 yen per share.

3. Effective date of distribution of surplus

June 29, 2026

Proposal 2: Election of Ten (10) Directors

The terms of office of all ten (10) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of ten (10) Directors is proposed.

The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	Masayuki Sugita [Reappointment]	Director and Chairman of the Board	16/16
2	Hironori Tsudo [Reappointment]	Representative Director and President	16/16
3	Yoichi Haraguchi [Reappointment]	Director and General Manager of Housing Division	16/16
4	Takashi Momotani [Newly appointed]	Executive Officer and General Manager of Building Materials Division	-
5	Naoya Ueno [Newly appointed]	Executive Officer and Deputy General Manager of Administration Division	-
6	Shinya Suzuki [Reappointment] [Outside] [Independent]	Outside Director	16/16
7	Takashi Kokubo [Reappointment] [Outside] [Independent]	Outside Director	16/16
8	Kiyohito Hamada [Reappointment] [Outside] [Independent]	Outside Director	16/16
9	Jun Tamura [Reappointment] [Outside] [Independent]	Outside Director	16/16
10	Etsuko Kakehi [Reappointment] [Outside] [Independent]	Outside Director	16/16

[Newly appointed]: Candidates for new Directors, [Reappointment]: Candidates for reappointment as Directors,

[Outside]: Candidates for Outside Directors, [Independent]: Independent Officers as defined by the Tokyo Stock Exchange

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
1	<p>Masayuki Sugita (February 14, 1958)</p> <p>[Reappointment]</p> <p>[Tenure as Director (as of the conclusion of this General Meeting)] 16 years</p> <p>[Attendance at the Board of Directors meetings] 100% (16/16)</p>	<p>April 1983 Joined the Company</p> <p>January 2005 Executive Officer, Building Materials Division, the Company</p> <p>November 2007 Director and Executive Officer; Deputy General Manager of Building Materials Division, Nice Corporation</p> <p>January 2010 Director and Executive Officer; General Manager of Building Materials Division, Nice Corporation</p> <p>June 2010 Director, the Company</p> <p>June 2011 Director and Managing Executive Officer; General Manager of Building Materials Division, Nice Corporation</p> <p>June 2018 Representative Director and President, Nice Corporation</p> <p>May 2019 Representative Director and President, the Company</p> <p>February 2020 Representative Director and President; General Manager of Housing Division, Nice Corporation</p> <p>March 2020 Representative Director and President; General Manager of Housing Division, the Company</p> <p>April 2021 Representative Director and President, the Company</p> <p>December 2022 Representative Director and President; General Manager of Administration Division, the Company</p> <p>June 2023 Representative Director and President, the Company</p> <p>April 2024 Director and Chairman of the Board, the Company (to present)</p> <p>[Significant concurrent positions] None</p>	27,000
<p>[Reason for nomination as candidate for Director] Mr. Masayuki Sugita has demonstrated leadership in the management of the Company and its major subsidiaries over many years, and has extensive experience and track record of working on initiatives to address various management issues. The Company expects that he will continue to govern the Group based on his deep insight, and thus has renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
2	<p>Hironori Tsudo (March 27, 1973)</p> <p>[Reappointment]</p> <p>[Tenure as Director (as of the conclusion of this General Meeting)] 3 years</p> <p>[Attendance at the Board of Directors meetings] 100% (16/16)</p>	<p>April 1998 Joined the Company</p> <p>July 2017 Executive Officer; General Manager of Metropolitan Area Block 1, Building Materials Division, Nice Corporation</p> <p>June 2018 Director and Executive Officer; Deputy General Manager of Building Materials Division and General Manager of Metropolitan Area Block 1, Nice Corporation</p> <p>March 2020 Senior Executive Officer; Deputy General Manager of Building Materials Division, the Company</p> <p>March 2023 Senior Executive Officer; Deputy General Manager of Administration Division, the Company</p> <p>June 2023 Director; Deputy General Manager of Administration Division, the Company</p> <p>July 2023 Director; General Manager of Administration Division, the Company</p> <p>April 2024 Representative Director and President, the Company (to present)</p> <p>[Significant concurrent positions] None</p>	14,300
<p>[Reason for nomination as candidate for Director] Mr. Hironori Tsudo has a wealth of experience and achievements in the building materials business division of the Company, and, as Representative Director and President, has demonstrated leadership in the Company's management such as overseeing the administration division. The Company expects that he will continue to govern the Group based on his deep insight, and thus has renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
3	<p>Yoichi Haraguchi (November 26, 1961)</p> <p>[Reappointment]</p> <p>[Tenure as Director (as of the conclusion of this General Meeting)] 4 years</p> <p>[Attendance at the Board of Directors meetings] 100% (16/16)</p>	<p>April 1984 Joined the Company</p> <p>July 2011 Executive Officer; Executive Manager of Metropolitan Area Sales Department, Housing Division, Nice Corporation</p> <p>June 2013 Director and Executive Officer; Deputy General Manager of Housing Division, Nice Corporation</p> <p>September 2016 Director and Managing Executive Officer; Deputy General Manager of Housing Division, Nice Corporation</p> <p>June 2017 Associate Executive Officer, Nice Corporation</p> <p>March 2020 Senior Executive Officer; Deputy General Manager of Housing Division, the Company</p> <p>April 2021 Senior Executive Officer; General Manager of Housing Division, the Company</p> <p>June 2022 Director; General Manager of Housing Division, the Company (to present)</p> <p>[Significant concurrent positions] None</p>	11,800
<p>[Reason for nomination as candidate for Director] Mr. Yoichi Haraguchi has extensive experience and track record of overseeing the housing business, and excellent business management skills. The Company has judged that he is capable of reliably demonstrating group governance functions, and thus has renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
4	<p>Takashi Momotani (October 1, 1969)</p> <p>[Newly appointed]</p> <p>[Tenure as Director (as of the conclusion of this General Meeting)] - years</p> <p>[Attendance at the Board of Directors meetings] -% (-/-)</p>	<p>April 1993 Joined the Company</p> <p>July 2017 Executive Officer; General Manager of Komaki Lumber Sales Office, Building Materials Division, Nice Corporation</p> <p>September 2017 Executive Officer; General Manager of Lumber Business Department, Building Materials Division, Nice Corporation</p> <p>August 2018 Executive Officer; General Manager of Lumber Business Department and General Manager of Metropolitan Area Lumber Sales Department, Building Materials Division, Nice Corporation</p> <p>May 2019 Executive Officer; General Manager of Lumber Business Department, General Manager of Kanto Region and Metropolitan Area Lumber Sales Department, and General Manager of Forest Department, Building Materials Division, Nice Corporation</p> <p>December 2019 Executive Officer; General Manager of Lumber Business Department, Building Materials Division, Nice Corporation</p> <p>March 2020 Executive Officer; General Manager of Lumber Business Department and General Manager of Special Lumber Sales Department, Building Materials Division, the Company</p> <p>April 2022 Executive Officer; General Manager of West Japan Lumber Block, Building Materials Division, the Company</p> <p>August 2023 Executive Officer; General Manager of Chubu Lumber Block and General Manager of Kansai Lumber Block, Building Materials Division, the Company</p> <p>April 2024 Executive Officer; General Manager of Chubu Block, Building Materials Division, the Company</p> <p>April 2025 Executive Officer; Deputy General Manager of Building Materials Division, the Company</p> <p>January 2026 Executive Officer; General Manager of Building Materials Division, the Company (to present)</p> <p>[Significant concurrent position] None</p>	4,600
<p>[Reason for nomination as candidate for Director] Mr. Takashi Momotani is able to demonstrate his strength in the building materials business and has excellent business management skills. For these reasons, the Company has judged that he is capable of reliably demonstrating group governance functions, and thus has nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
5	<p>Naoya Ueno (February 12, 1975)</p> <p>[Newly appointed]</p> <p>[Tenure as Director (as of the conclusion of this General Meeting)] - years</p> <p>[Attendance at the Board of Directors meetings] -% (-/-)</p>	<p>April 1997 Joined the Company</p> <p>July 2018 Executive Officer; General Manager of Metropolitan Area Block 2, Building Materials Division, Nice Corporation</p> <p>May 2019 Executive Officer; General Manager of Chubu Block, Building Materials Division, the Company</p> <p>April 2022 Executive Officer; General Manager of Sales Promotion Department, Building Materials Division, the Company</p> <p>March 2023 Executive Officer; In charge of Chugoku and Shikoku Block, Kyushu Block, and Sales Promotion Department, Building Materials Division, the Company</p> <p>April 2024 Executive Officer; Deputy General Manager of Building Materials Division, the Company</p> <p>April 2025 Executive Officer; Deputy General Manager of Administration Division and General Manager of DX Promotion Department, the Company</p> <p>September 2025 Executive Officer; Deputy General Manager of Administration Division, the Company (to present)</p> <p>[Significant concurrent positions] None</p>	4,800
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Naoya Ueno worked in the building materials business division of the Company for many years, is able to demonstrate his strength in the administration division as well, and has excellent business management skills. For these reasons, the Company has judged that he is capable of reliably demonstrating group governance functions, and thus has nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
6	<p>Shinya Suzuki (June 27, 1957)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Tenure as Director (as of the conclusion of this General Meeting)] 9 years</p> <p>[Attendance at the Board of Directors meetings] 100% (16/16)</p>	<p>April 1981 Joined the Forestry Agency</p> <p>April 2004 Head of Special Forest Products Office, Forestry Management Improvement Division, Forestry Agency</p> <p>July 2008 Director of Wood Industry Division, Forestry Agency</p> <p>July 2010 Director of National Forest Planning Division, Forestry Agency</p> <p>July 2012 Director of Chubu Regional Forest Office, Forestry Agency</p> <p>April 2014 Director, Forestry and Forest Products Research Institute</p> <p>July 2016 President, North Japan Wood Material Distribution Cooperative (to present)</p> <p>June 2017 Outside Director, the Company (to present)</p> <p>[Significant concurrent position] President, North Japan Wood Material Distribution Cooperative</p>	-
<p>[Reason for nomination as candidate for Outside Director and overview of expected roles] Mr. Shinya Suzuki has been involved in forestry policies for many years and has expertise and experience in this area. The Company expects that he will fully contribute to strengthening the Company's corporate governance system and increasing corporate value based on such knowledge. Although he has never been involved in corporate management other than serving as an outside director or outside corporate auditor in the past, the Company has judged that he will be capable of appropriately performing his duties as an Outside Director, and thus has renominated him as a candidate for Outside Director for the above reasons.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
7	<p>Takashi Kokubo (January 18, 1974)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Tenure as Director (as of the conclusion of this General Meeting)] 7 years</p> <p>[Attendance at the Board of Directors meetings] 100% (16/16)</p>	<p>October 2000 Registered as an attorney at law Joined Nishimura & Partners (currently Nishimura & Asahi Foreign Law Joint Enterprise)</p> <p>March 2014 Established Kokubo Law Office</p> <p>January 2017 Outside Director (Audit and Supervisory Committee Member), AOI TYO Holdings Inc. (currently KANAMEL Inc.)</p> <p>January 2017 Outside Director, AZoom Co., Ltd. (to present)</p> <p>March 2017 Representative Member, Kokubo Law Office (to present)</p> <p>June 2019 Outside Director, the Company (to present)</p> <p>June 2020 External Auditor, Oisix ra daichi Inc. (to present)</p> <p>June 2023 Outside Corporate Auditor, TalentX Inc. (to present)</p> <p>June 2024 Outside Corporate Auditor, FOLIO Holdings Co., Ltd. (to present)</p> <p>August 2024 Outside Director (Audit and Supervisory Committee Member), KANAMEL Inc. (to present)</p> <p>[Significant concurrent positions] Representative Member, Kokubo Law Office Outside Director, AZoom Co., Ltd. External Auditor, Oisix ra daichi Inc. Outside Corporate Auditor, TalentX Inc. Outside Corporate Auditor, FOLIO Holdings Co., Ltd. Outside Director (Part-time/Audit and Supervisory Committee Member), KANAMEL Inc.</p>	-
<p>[Reason for nomination as candidate for Outside Director and overview of expected roles] As an attorney at law, Mr. Takashi Kokubo has consistently specialized in corporate legal affairs, including corporate governance, M&A, and fund procurement, and has a wealth of experience and insight in these areas. The Company expects that he will fully contribute to strengthening the Company's corporate governance system and increasing corporate value based on such knowledge, and thus has renominated him as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
8	<p>Kiyohito Hamada (November 30, 1957)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Tenure as Director (as of the conclusion of this General Meeting)] 7 years</p> <p>[Attendance at the Board of Directors meetings] 100% (16/16)</p>	<p>October 1985 Joined Sanwa Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>April 1989 Registered as a certified public accountant</p> <p>February 1998 Registered as a certified tax accountant</p> <p>April 1998 Partner, Yotsubasogo Accounting Office (to present)</p> <p>June 2007 Outside Corporate Auditor, KITO CORPORATION</p> <p>March 2014 Outside Corporate Auditor, Medical Data Vision Co., Ltd.</p> <p>September 2016 Outside Member of the Audit and Supervisory Board, SOU Inc. (currently Valuence Holdings Inc.)</p> <p>September 2017 Outside Board Director, Convano Inc.</p> <p>June 2019 Outside Director, the Company (to present)</p> <p>November 2019 Outside Director (Member of the Audit and Supervisory Committee), SOU Inc. (currently Valuence Holdings Inc.)</p> <p>[Significant concurrent positions] Partner, Yotsubasogo Accounting Office</p>	-
<p>[Reason for nomination as candidate for Outside Director and overview of expected roles] Mr. Kiyohito Hamada has a wealth of experience and broad insight developed through his duties as a certified public accountant and tax accountant. The Company expects that he will fully contribute to strengthening the Company's corporate governance system and increasing corporate value based on such knowledge, and thus has renominated him as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
9	<p>Jun Tamura (April 17, 1950)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Tenure as Director (as of the conclusion of this General Meeting)] 6 years</p> <p>[Attendance at the Board of Directors meetings] 100% (16/16)</p>	<p>April 1973 Joined Kirin Brewery Company, Limited (currently Kirin Holdings Company, Limited)</p> <p>September 1995 General Manager of Kochi Branch, Kirin Brewery Company, Limited</p> <p>March 2004 Executive Officer; General Manager of Chubu Regional Head Office, Kirin Brewery Company, Limited</p> <p>March 2007 Senior Executive Officer; General Manager of Sales Division, Kirin Brewery Company, Limited</p> <p>June 2007 Representative Director and Vice President; General Manager of Sales Division, Kirin Brewery Company, Limited</p> <p>November 2015 Outside Corporate Auditor, DAISYO CORPORATION (to present)</p> <p>May 2018 Representative Director, 100-Year Planning Co., Ltd. (to present)</p> <p>June 2020 Outside Director, the Company (to present)</p> <p>[Significant concurrent positions] Representative Director, 100-Year Planning Co., Ltd. Outside Corporate Auditor, DAISYO CORPORATION</p>	—
<p>[Reason for nomination as candidate for Outside Director and overview of expected roles] Mr. Jun Tamura has a wealth of experience and insight in overall management, such as serving as a representative director in a leading private company, writing books, and providing lectures to companies and other organizations. The Company expects that he will fully contribute to strengthening the Company's corporate governance system and increasing corporate value based on such knowledge, and thus has renominated him as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
10	<p>Etsuko Kakehi (February 5, 1957)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Tenure as Director (as of the conclusion of this General Meeting)] 2 years</p> <p>[Attendance at the Board of Directors meetings] 100% (16/16)</p>	<p>June 1982 Joined IBM Japan, Ltd.</p> <p>January 2002 General Manager of Process & IT Planning Department, Services Division, IBM Japan, Ltd.</p> <p>December 2010 Director, IBM Japan Staff Operations Co., Ltd.</p> <p>April 2013 Director in charge of CIO Services Japan, IBM Japan, Ltd.</p> <p>September 2017 Advisor, DATALIVE Corporation(to present)</p> <p>December 2018 Outside Director, ABISTO Co., Ltd.</p> <p>June 2023 Outside Director, NIHON DEMPA KOGYO CO., LTD. (to present)</p> <p>June 2024 Outside Director, the Company (to present)</p> <p>March 2025 Outside Director, TOKYOTOKEIBA Co., Ltd. (to present)</p> <p>[Significant concurrent positions] Advisor, DATALIVE Corporation Outside Director, NIHON DEMPA KOGYO CO., LTD. Outside Director, TOKYOTOKEIBA Co., Ltd.</p>	-
<p>[Reason for nomination as candidate for Outside Director and overview of expected roles] Ms. Etsuko Kakehi has been in the IT industry for many years and has a wealth of experience and broad insight in IT and DX, personnel and labor affairs, and diversity. The Company expects that she will fully contribute to strengthening the Company's corporate governance system, increasing corporate value, and working on initiatives to promote the advancement of women based on such knowledge, and thus has renominated her as a candidate for Outside Director.</p>			

- (Notes)
1. On October 1, 2007, the Company transitioned to a holding company structure and changed its trade name to Nice Holdings, Inc. on the same day. “Nice Corporation” from October 2007 to March 2020 (“former Nice Corporation”) in the table is a wholly-owned operating subsidiary of the Company that succeeded to the rights and obligations related to the Company’s business when the Company transitioned to a holding company structure.
 2. On March 31, 2020, the Company absorbed and merged former Nice Corporation, and changed its trade name from Nice Holdings, Inc. to Nice Corporation.
 3. There are no special interests between each candidate for Director and the Company.
 4. The Company has concluded an agreement with Mr. Shinya Suzuki, Mr. Takashi Kokubo, Mr. Kiyohito Hamada, Mr. Jun Tamura, and Ms. Etsuko Kakehi to limit their liability for damages provided for in Article 423, Paragraph 1 of the Companies Act to the amount stipulated in Article 425, Paragraph 1 of the same Act. If each of them is reelected, the Company plans to continue said agreement.
 5. The Company has concluded a directors and officers liability insurance agreement with an insurance company stipulated in Article 430-3, Paragraph 1 of the Companies Act to enable the insured to fully perform his/her expected roles. Under the insurance agreement, damages, legal costs, etc. that may be incurred by the insured due to claims for damages by the Company, shareholders, employees, or other third parties, being filed arising due to acts (including omissions) taken by the insured in performing his/her duties as officers of the Company. However, the Company has taken measures to ensure the appropriateness of the execution of duties by officers by excluding coverage for liability damages, etc. arising from the officer’s criminal acts as bribery or intentional fraudulent acts. Directors and Corporate Auditors of the Company and its subsidiaries are insured under this insurance agreement, and the insurance premiums for all insureds are fully borne by the Company, including riders. If each of candidates for Directors is elected and assumes office, he/she will be included in the insured of this insurance agreement. The Company plans to renew the insurance agreement during their terms of office.
 6. The Company has notified the Tokyo Stock Exchange of Mr. Shinya Suzuki, Mr. Takashi Kokubo, Mr. Kiyohito Hamada, Mr. Jun Tamura, and Ms. Etsuko Kakehi as independent officers pursuant to the regulations of the Exchange, and they will continue to serve as independent officers if each of them is reelected.

<Reference> Skill Matrix

The skill matrix of Directors and Corporate Auditors, if Proposal 2 is approved, will be as follows:

Name	Age	Positions	Expected skills, etc.						
			Business management	Strategy planning	Business knowledge	Finance/Accounting	Legal affairs/ Risk management/ Internal control	DX/IT	Sustainability /ESG
Masayuki Sugita	68	Director	○	○	○				○
Hironori Tsudo	53	Director	○	○	○	○	○		○
Yoichi Haraguchi	64	Director	○	○	○				
Takashi Momotani	56	Director	○	○	○				○
Naoya Ueno	51	Director	○	○	○	○		○	○
Shinya Suzuki	68	Outside Director	○	○	○				○
Takashi Kokubo	52	Outside Director	○				○		○
Kiyohito Hamada	68	Outside Director	○			○		○	
Jun Tamura	76	Outside Director	○	○					○
Etsuko Kakehi	69	Outside Director	○					○	○
Takashi Mori	58	Full-time Corporate Auditor	○	○	○	○	○		
Kosuke Suzuki	50	Outside Corporate Auditor			○	○			
Hidenori Nakagawa	58	Outside Corporate Auditor		○			○	○	
Mikiharu Noma	51	Outside Corporate Auditor	○	○		○			○
Tamaki Shibayama	66	Outside Corporate Auditor	○	○					

(Notes) 1. Ages and positions are as of the conclusion of the Annual General Meeting of Shareholders on June 26, 2026.

2. The above does not include all specializations and knowledge held by Directors and Corporate Auditors.

Proposal 3: Authorization of Gratis Allotment of Stock Acquisition Rights as Countermeasures against Large-Scale Acquisitions of the Company Shares

At the Annual General Meeting of Shareholders for the 74th fiscal year held on June 29, 2023, the Company obtained shareholder approval for the renewal of its “Countermeasures Against Large-Scale Acquisitions of Company Shares (Takeover Defense Measures),” which was intended to maintain and enhance the Company’s corporate value and the common interests of its shareholders (the countermeasures after said update are hereinafter referred to as the “Current Plan”). The Current Plan is set to expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, prior to the expiration of the Current Plan, the Company reviewed the state of the Current Plan, including whether or not it should be renewed, taking into consideration changes in social and economic conditions since the introduction of the Current Plan, trends and developments in discussions concerning policies for responding to large-scale acquisitions, and the intent of the Corporate Governance Code.

As a result, at a meeting of the Company’s Board of Directors held on May 14, 2026, the Company decided to renew its basic policy regarding the way a person is to control the determination of financial and business policies of the Company (as specified in the main text of Article 118, Paragraph (iii) of the Regulations for Enforcement of the Companies Act; referred to as the “Basic Policy” hereinafter) and its efforts contributing to the realization of the Basic Policy (Article 118, Paragraph (iii) (b) (1) of the Regulations for Enforcement of the Companies Act), as described in I and II below. It also decided to renew the “Countermeasures Against Large-Scale Acquisitions of Company Shares (Takeover Defense Measures),” subject to the approval of shareholders at this Annual General Meeting of Shareholders, as efforts to prevent the determination of financial and business policies of the Company from being controlled by an inappropriate person (Article 118, Paragraph (iii) (b) (2) of the Regulations for Enforcement of the Companies Act), in light of the Basic Policy, as described in III below (the Countermeasures after the corresponding renewal are referred to as “the Plan” hereinafter.)

Accordingly, shareholders are requested to approve the delegation to the Company’s Board of Directors of the authority to determine matters related to the gratuitous allotment of stock acquisition rights in accordance with the Plan, based on the provisions of Article 13 of the Company’s Articles of Incorporation.

Although, in the updating of the plan, any necessary amendments have been made, the basic content is the same as the Current Plan.

Prior to the Company’s Board of Directors meeting that determined the Plan, all five Corporate Auditors of the Company (which includes four Outside Corporate Auditors) expressed their support on the condition that its specific implementation of the Plan be carried out properly.

I. Basic policy regarding the way a person is to control the determination of financial and business policies of the Company

The Company believes that, as its shares are publicly listed and freely tradable, the decision on whether or not to accept a proposal for a large-scale acquisition of the Company’s shares involving the transfer of control should ultimately be left to the free will of its shareholders. Furthermore, the Company will not reject large-scale acquisition activities if they will benefit the Company’s corporate value and the common interest of its shareholders.

However, among large-scale acquisitions proposals, there are numerous cases that may harm the target company’s corporate value or the common interests of its shareholders. These include: 1) cases that, in light of factors such as the purpose of the acquisition and post-acquisition management policies, would cause clear harm to corporate value or the common interests of shareholders, 2) cases in which shareholders may be effectively forced to sell their shares, and 3) cases that do not provide sufficient time or information for the target company’s board of directors or shareholders to consider factors such as the conditions of the large-scale acquisition, or for the board of directors to present alternative proposals.

In particular, the various initiatives currently being undertaken by the Company include the deepening of its leading domestic timber distribution system and structural reforms such as the rebuilding of its order placement and receipt platform and logistics functions in the Tokyo metropolitan area, all of which require a certain timeframe for their outcomes to be properly realized as corporate value. In the course of this kind of management transformation, inappropriate large-scale acquisition activities that do not have a proper understanding of the Company’s intrinsic value would directly undermine the common interests of shareholders that should be enjoyed in the future.

The Company believes that persons who control decisions on the Company's financial and business policies should sufficiently understand the sources of the Company's corporate value and contribute to the continual maintenance and enhancement of that corporate value and the common interests of its shareholders. The Company also believes that any person that proposes a large-scale acquisition that has the potential to undermine the Company's corporate value and the common interests of its shareholders is not suitable as a person who controls decisions on the Company's financial and business policies. Accordingly, the Company believes that it is necessary to take the necessary and appropriate measures against a large-scale acquisition by such a person to maintain the Company's corporate value and the common interests of its shareholders.

II. Efforts contributing to the realization of the Basic Policy

1. Sources of corporate value

(1) Corporate philosophy and management policies

The Company's corporate philosophy is "Building on trust, we will create comfortable homes and enrich lifestyles." At the heart of that philosophy lies the spirit of "without trust, nothing can stand," which has been inherited since our foundation. "Trust," as the Company defines, means continuously responding to the absolute faith placed in it by stakeholders, and in doing so, becoming a company that is indispensable to society.

In addition, the Company has adopted "Integrity," "Growth and Evolution," and "Solutions to Social Issues" as its management policies to realize that philosophy. "Integrity" is the Company's fundamental position, and it is embodied in the actions of each employee through the Company's behavioral guidelines and code of ethics. "Growth and Evolution" is reflected in the Company's medium-term management plan as a concrete strategy for the sustainable improvement of corporate value. By organizing these two principles, along with the third principle, "Solutions to Social Issues," which is the Company's social purpose, under the corporate philosophy, the Company seeks to unify employee awareness and enhance consistency and transparency in its decision-making.

Guided by its corporate philosophy and management policies in the pursuit of its corporate activities, the Company will continue striving to realize its vision of "We will create overflowing smiles for all people through housing and daily living."

(2) Founding spirit and the path of value creation

For 75 years since its foundation in 1950, the Company has formed its own unique corporate value by building "trust" through solutions to social issues, based on the spirit of "without trust, nothing can stand."

1) Establishment of a fair lumber distribution platform (1950s –)

The Company was the first in the Kanto region to implement "auction-style sales" for construction timber, where building wood is traded through bidding. This style spread quickly as a distribution system to meet the strong post-war demand for housing and drove the increase in transparency in timber distribution. Subsequently, the Company achieved nationwide expansion as the only timber market of its kind, building an extensive network with timber manufacturers and corporate buyers (social capital).

2) Expansion centered on both the building materials business and housing business (1970s –)

In addition to its wide range of timber products from domestic to imported materials, the Company expanded the products it handled to a full range of residential building materials, including construction materials and housing equipment and fixtures. It further expanded its business domain into the housing business, including housing supply, real estate brokerage, condominium management, and real estate leasing and property management, providing lifelong, enduring services related to housing and daily living. Through the establishment of its unique business structure that combines the building materials business (BtoB) and housing business (BtoC), the Company evolved into a comprehensive wood and housing enterprise.

3) Promotion of resilient home construction (2000s –)

Since the Great Hanshin-Awaji Earthquake, the Company has worked to promote the construction of earthquake-resistant homes. It is promoting the adoption by local building contractors and builders of the Power Build Method, its original metal connection construction method, which demonstrates a strong resistance to earthquakes, and has also adopted that method as standard for all single-family residences developed by the Company. In addition, for newly-built condominiums for sale, it has adopted seismic isolation structures

tailored to the characteristics of each area. In these and other ways, the Company is increasing its business competitiveness through original technologies and products (intellectual capital).

4) Toward a “Growth and Evolution” phase through the creation and deepening of environmental value (Present)

As a company that began in the timber auction business, the Company conserves and cultivates company-owned forests, known as “The Forests of Nice,” at eight locations around Japan. It has also established a “domestically produced timber value chain” capable of handling the entire process in an integrated manner, from forest cultivation and raw material production to lumber production, processing, and distribution, and the construction of houses and buildings. Through the expanded use of domestically produced timber and increased handling of energy-related products, the Company strives to create environmental value through the reduction of greenhouse gas emissions, linking its contributions to a decarbonized society (natural capital) to business growth.

(3) “Six forms of capital” and “three strengths”

1) “Six forms of capital” accumulated

Since its foundation, the Company has made effective use of the six forms of capital that it has accumulated as a sustainable business foundation.

■ Six forms of capital and their characteristics

Capital	Characteristics
Social capital	In addition to a robust network of some 4,600 suppliers and 4,000 buyers built up over its 75-year history, the Company has an abundant customer base, including approximately 800,000 housing website members. These wide-ranging contact points that underpin the housing industry form the basis of value creation.
Intellectual capital	In addition to proprietary products and technologies, such as “Gywood®,” a domestic solid timber product processed using the Company’s proprietary surface densification technology, and the Power Build Method, an original metal connection construction method, the Company has amassed diverse knowledge and expertise gained by combining its dual businesses of building materials and housing.
Human capital	A total of more than 1,180 of the Company’s over 2,800 employees hold qualifications related to construction and housing. Armed with high-level expertise in timber and construction, they are driving the growth of the Group.
Manufacturing capital	By organically linking over 170 distribution bases around Japan, 12 in-house manufacturing bases nationwide, and partner factories, the Company has built one of Japan’s leading distribution and manufacturing networks for building materials, supporting a stable supply system.
Natural capital	As well as boasting one of the largest handling volumes of domestically produced timber, the Company promotes the circulating use of wood resources through a unique value chain that connects the entire process from forest cultivation to construction, based on company-owned forests covering a total area of 2,428 hectares. In doing so, the Company is contributing to the realization of business sustainability and a decarbonized society.
Financial capital	The Company thoroughly exercises investment discipline with the introduction of a hurdle rate and has built a stable financial foundation that pursues the optimal balance between business investment and shareholder returns. In this way, it strives to improve capital efficiency and enhance medium- to long-term profitability.

2) “Three strengths” from combinations of capital

The Company has created unique corporate value by organically combining the six forms of capital, rather than relying on them individually, to build “three strengths” that cannot be replicated by other companies. It is only when those different forms of capital function together as one that these strengths are demonstrated, and any attempt to divide them runs the risk of undermining the value creation process that the Group has built up and reducing its corporate value.

Strength 1: Stable supply system and abundant customer base (manufacturing capital x social capital)

Through the fusion of its nationwide distribution and manufacturing network (manufacturing capital) and its customer base based on relationships of trust with suppliers and buyers built up since its foundation (social capital), the Company has acquired long-term partnerships and realized the stable supply of construction materials.

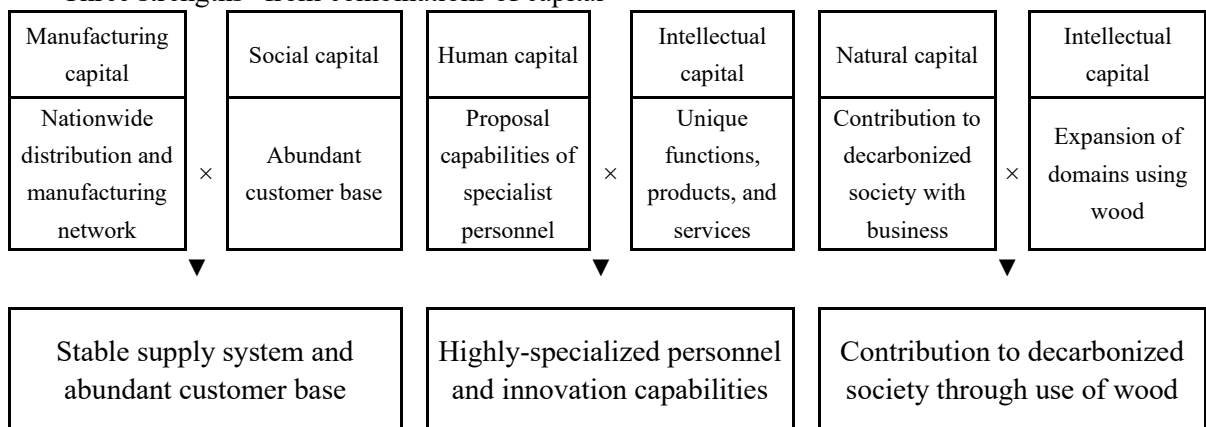
Strength 2: Highly specialized personnel and innovation capabilities (human capital x intellectual capital)

Employing many specialists who are highly knowledgeable in the timber, housing, and construction fields, including architects and real estate notaries (human capital), the Company leverages their knowledge and experience to create proprietary technologies, products, and expertise (intellectual capital). Taking advantage of its unique characteristic of operating both a building materials business (BtoB) and a housing business (BtoC), the Company has created a cycle of information in which insights gained in each area are shared and applied across both businesses.

Strength 3: Contribution to a decarbonized society through the use of timber (natural capital x intellectual capital)

Combining its company-owned forests, which cover a total area of 2,428.4 hectares across Japan (natural capital), with its expertise in promoting the adoption of wooden buildings and the use of wood-based materials for buildings (intellectual capital), the Company operates a domestically produced timber value chain that integrates the entire process from forest cultivation to the construction of houses and buildings. It also develops new materials using solid domestic timber, such as “Gywood®,” made with the Company’s proprietary surface densification technology, and promotes the use of domestic timber not only in the construction sector, but also in daily living domains. Through this kind of value chain, it is contributing to the reduction of greenhouse gas emissions across the whole of society, by which it is connecting the realization of a decarbonized society to business growth.

■ “Three strengths” from combinations of capital



2. Efforts to enhance corporate value

(1) Sustainable growth through a cycle of value creation

1) Specifying material issues

Amid major changes in the business environment, the Company has specified nine material issues with the aim of building a solid management foundation by clarifying priority issues to be addressed for the enhancement of medium- to long-term corporate value.

Through efforts to address these material issues, we are further promoting sustainability management that takes into consideration environmental, social and economic sustainability, with the aim of achieving sustainable growth and the enhancement of medium- to long-term corporate value.

■ Nine material issues

Themes	Material issues
Business activities	Promote sustainable recovery through expanded use of domestically produced timber
	Reduce energy consumption by providing environmentally friendly goods and services
	Offer stable supply of goods and services by rebuilding the supply chain
	Promote building of resilient housing using wood
	Promote distribution of existing housing that considers the effective use of resources
	Contribute to regional revitalization
Company-wide activities	Promote human capital management
	Deepen group governance
	Reduce environmental burden in business activities

In light of the remarkable changes in the business environment surrounding the Company, we have set growth drivers that help us demonstrate the Company's strengths and competitive advantages in areas where future growth is expected. We will strive to generate new results by accelerating business development centered on these drivers.

■ Profit growth with growth drivers

Growth Drivers		Summary
Cho-Shinchiku	Supply of domestic wood	We will strengthen the integrated supply chain from upstream to downstream to expand the domestic wood market. We will increase profit with proposals for the adoption of wooden buildings and use of wood-based materials in buildings.
	Non-residential wooden construction	We will leverage our integrated functions that span from design and cost estimation to lumber delivery and construction to expand orders in the growth area of non-residential wooden construction.
	Purchase and resale of pre-owned condominiums	We will strengthen our procurement and construction systems for pre-owned condominiums to provide high value-added renovated housing with RIZ WOOD®, our brand for the use of wood-based materials.
	Rental property management	In the growing rental market, we will expand the number of units we manage through proposals to increase property value to owners of rental properties.
	Comprehensive condominium management	We will utilize IT to improve services in response to the aging of buildings and tenants in condominiums. We will work to increase the number of units we manage and strengthen orders for large-scale repair work.
Cho-Butsuryuu	Supply of energy-related products	We will leverage Group synergies to strengthen the supply of window frames, solar power generation systems, and storage batteries to the growing ZEH market.
	Logistics	We will aim to improve overall supply chain efficiency and competitiveness through logistics by strengthening last-one-mile functions, promoting joint delivery, and advancing IT in operations.
Cho-Ryouiki	Development of components using solid domestic wood	We will expand the applications for components using solid domestic wood to create demand for domestically produced timber in daily living domains, as well as the construction sector.
	Distribution platform for the wooden construction industry	We will work to strengthen competitiveness by sharing data across the entire value chain of the wooden construction, from design, cost estimation, procurement, construction, and logistics, to contribute to the operational efficiency of the industry.

2) Human resources strategy for the realization of business strategies

We believe that our people are the most important form of capital for the execution of these business strategies. To expand the specialized skills needed to realize our business strategies, we are strengthening mid-career recruitment while also conducting human resources development initiatives, such as support for employees' acquisition for professional qualifications and career development. During the plan, we intend to achieve a total of 100 mid-career hires and 1,500 employees holding construction-related qualifications.

Further, as well as focusing on the development of the next generation of management, we will

also actively recruit personnel with expertise in DX and management from outside the Company. In addition, by adopting a talent management system, we have established a structure for centralized management, analysis, and utilization of information on each employee's skills, strengths, and experience. We also encourage employees' career autonomy by having them declare their own career vision and through strategic personnel placement efforts. By placing the right people in the right positions, we have established an environment that allows diverse personnel to succeed.

3) Improving profitability and capital efficiency

To maximize corporate value through the improvement of capital efficiency, we will make more aggressive investments to strengthen our business foundation in the future with the aim of quickly achieving and establishing a PBR of more than 1. In the medium-term management plan, we position EBITDA as a key indicator to appropriately evaluate the profitability of investment activities. To curb a decline in asset efficiency accompanying the expansion of total assets, we will rigorously manage performance using ROA and work to improve ROE to consistently exceed the cost of equity through optimal leverage management.

Furthermore, to optimize the capital efficiency of the entire Group, we are promoting business portfolio management with the adoption of ROIC. We will visualize the capital profitability of each business and conduct monitoring based on hurdle rates. In doing so, we will flexibly implement concentrated investment in growth areas and the restructuring of or withdrawal from non-core businesses, thereby continuously improving capital efficiency.

4) Shareholder return policy

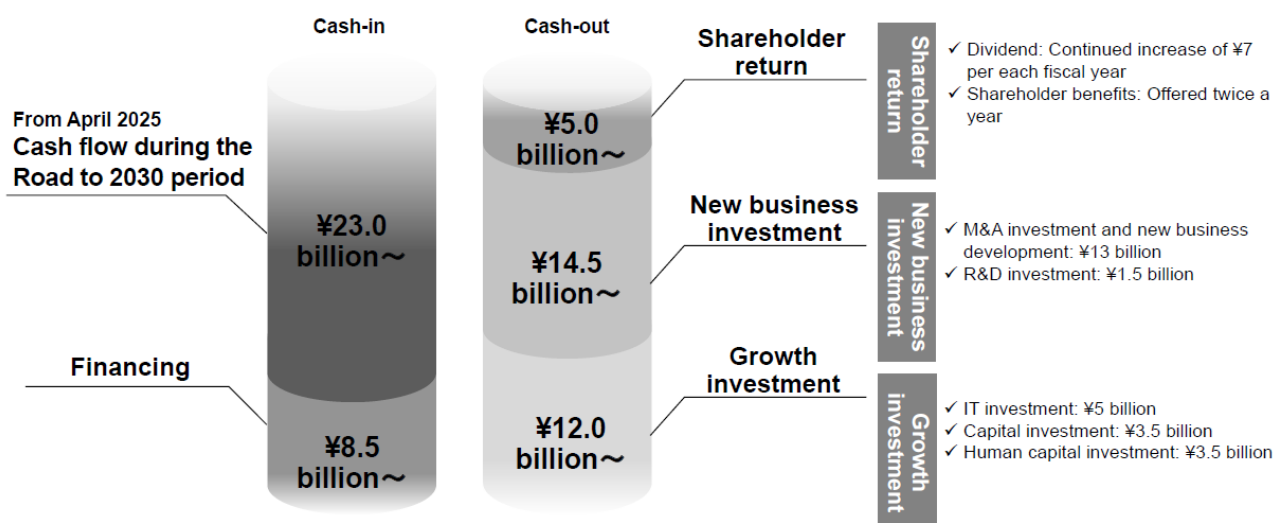
The Company strives to provide stable and substantial returns to shareholders. Our basic policy is to maintain or increase the dividend per share (excluding commemorative dividends, etc.) by introducing a progressive dividend based on sustainable growth over the medium to long term, while taking into account demand for funds for future growth and strengthening competitiveness. During the period of the medium-term management plan (from the fiscal year ended March 31, 2026 to the fiscal year ending March 31, 2030), we plan to increase the dividend by 7 yen each fiscal year and to pay a dividend of 100 yen in the final fiscal year ending March 31, 2030, the final year of the plan. Total dividends during the plan period are expected to exceed 5 billion yen. We will maintain our efforts to realize continuous returns to shareholders and enhance corporate value.

5) Maximizing corporate value through cash allocation

We have formulated a cash allocation policy to appropriately implement reinvestment for further growth and shareholder returns, using cash flows and financing under the medium-term management plan as funding sources. As stated above, with regard to shareholder returns, we plan to increase the dividend by 7 yen each fiscal year until fiscal year ending March 31, 2030. Total dividends during the medium-term management plan period are expected to exceed 5 billion yen. In addition, as strategic investments to accelerate future growth, we will allocate 14.5 billion yen or more to investment in new business, such as M&A, new business development, and R&D, and 12.0 billion yen or more to investments for growth, such as IT, capital investment, and human capital.

Based on our cash allocation policy to achieve sustainable growth, we will continue to maximize corporate value by strengthening profitability through growth investments, flexibly returning profits to shareholders, and maintaining a strong financial base.

Status of Cash Allocation Implementation



III. Efforts to prevent the determination of financial and business policies of the Company from being controlled by an inappropriate person in light of the Basic Policy

1. Purpose of the Plan

The Plan is renewed with the purpose of maintaining and enhancing the Company's corporate value and the common interests of its shareholders in accordance with the Basic Policy listed in Section I above.

The Company's Board of Directors determined that a framework continues to be necessary to prevent a large-scale acquisition that would run counter to the Company's corporate value and the common interests of its shareholders by securing the time and information necessary for the Company's shareholders to judge whether or not to accept such proposal, or for the Company's Board of Directors to present alternative proposals to the shareholders, as well as enabling discussions, negotiations, and other similar interactions with the large-scale purchaser for the benefit of the shareholders in case of a proposal for a large-scale acquisition of the Company's shares.

Accordingly, the Company's Board of Directors resolved to renew the Plan, subject to the approval of shareholders at this Annual General Meeting of Shareholders, as a part of its efforts to prevent decisions on the Company's financial and business policies from being controlled by persons regarded as inappropriate according to the Basic Policy.

2. Content of the Plan

(1) Outline of the Plan

(a) Purpose

The purpose of the Plan is to maintain and enhance the Company's corporate value and the common interests of its shareholders by securing the time and information necessary and sufficient for shareholders to make an appropriate judgment, as well as ensure the opportunity for discussions, negotiations, and other similar interactions with the purchaser or related parties (as defined in (b) "Setting of procedures" below) when a large-scale acquisition activity of Company shares will be made.

(b) Setting of procedures

The Plan prescribes the necessary procedures to realize the (a) Purpose above when a purchase or similar act* is directed toward the stock certificates, etc., of the Company. These procedures include requesting advance information sharing from the person making the purchase, etc., (the "Purchaser") (for details, refer to (2) "Procedures regarding the Plan").

(c) Implementation of the gratis allotment of stock acquisition rights

If the Purchaser attempts to make a purchase, etc., of the Company's stock certificates, etc., without complying with the procedure prescribed in the Plan, and clear harm or other consequence may be caused to the Company's corporate value and the common interests of its shareholders (for details regarding this condition, see (3) "Requirements for the implementation of the gratis allotment of the Stock Acquisition Rights"), the Company will conduct a gratis allotment of the stock acquisition rights, which carry conditions that the Purchaser and individuals who have a specific relationship with the Purchaser would not be allowed to exercise the rights and that the stock acquisition rights can be acquired by the Company in exchange for Company shares from anybody other than the Purchaser and individuals who have a specific relationship with the Purchaser (the main content of which is listed in (4) "Outline of the gratis allotment of the Stock Acquisition Rights;" hereinafter the "Stock Acquisition Rights"), to all the shareholders except the Company itself at that time.

If a gratis allotment of the Stock Acquisition Rights is conducted in accordance with the Plan and shares of the Company are delivered to all shareholders except the Purchaser and individuals who have a specific relationship with the Purchaser due to the exercise of those rights by shareholders or their acquisition by the Company, voting rights in the Company held by the Purchaser and individuals who have a specific relationship with the Purchaser may be diluted by up to one-half.

(d) Use of an independent panel, etc.

To prevent the Company's Board of Directors from making an arbitrary decision on the implementation or non-implementation of a gratis allotment of the Stock Acquisition Rights or acquisition of the rights according to the Plan, the decision will be made by way of objective judgment of an independent panel, which consists of external persons who are highly

* Refers to purchases and similar acts as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act, and includes, as similar acts, acts and tender offers as set forth in Article 6, Paragraph 3 of the Financial Instruments and Exchange Act. This definition is applied throughout this proposal.

independent (For details, see (6) “Establishment of Independent Panel” below). Furthermore, in addition to this, if the independent panel recommends to convene a general meeting of shareholders to confirm the will of the Company’s shareholders regarding the implementation of the gratis allotment of the Stock Acquisition Rights when implementing the gratis allotment of the Stock Acquisition Rights, the Company’s Board of Directors shall convene such general meeting of shareholders. Furthermore, to ensure transparency, information will be disclosed to shareholders during these procedures.

(2) Procedures regarding the Plan

(a) Applicable purchases

The Plan shall apply when a purchase, etc., will be made that falls under either 1) or 2) below. The Purchaser shall adhere to the procedures prescribed by the Plan in advance.

- 1) A purchase, etc., expected to result in the ownership ratio* of share certificates, etc.†, of a holder‡ amounting to 20% or more of the share certificates, etc., issued by the Company (including cases where the ownership ratio of share certificates, etc., of holders other than the Purchaser, etc., will be 20% or more due to such purchase, etc.).
- 2) A tender offer for share certificates, etc.§, issued by the Company that is expected to result in the total of the ownership ratio of share certificates, etc.**, owned by the person making the tender offer and the ownership ratio of share certificates, etc., owned by any specially related parties†† of that person amounting to 20% or more.

However, when considering the applicability, the Company’s Board of Directors shall include in its calculations the percentage of the Company’s stock certificates, etc., held or owned by the holder (including a person who becomes a holder due to the purchase, etc.), their joint holders‡‡, and the person conducting a tender offer, or affiliated parties§§ of their specially related parties, unless there are special circumstances.

(b) Request to the Purchaser for the provision of information

Where the Plan is applied, unless otherwise specified separately by the Company’s Board

* Defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. This definition is applied throughout this proposal.

† Defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. This definition is applied throughout this proposal unless determined separately.

‡ Includes a person stated as a holder under Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act. This definition is applied throughout this proposal.

§ Defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act.

** Defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. This definition is applied throughout this proposal.

†† Defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act. However, persons prescribed in Article 3, Paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers are excluded from the persons listed in Item (i) of Paragraph 7. This definition is applied throughout this proposal.

‡‡ Joint holder as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including persons deemed to be joint holders under Paragraph 6. This definition is applied throughout this proposal.

§§ An “affiliated party” of a given person is defined as the spouse or any relative within the second degree of kinship of the given person, any person that has a special capital relationship with the given person or a person with which the given person has a special capital relationship, any officer of the given person or any corporation or other organization in which the given person serves as an officer, any corporation or other organization in which a majority of the officers are current or former officers or employees of the given person, any corporation or other organization whose current or former officers or employees comprise the majority of the officers of the given person, or any person who has a relationship with the given person as set forth in the items of Article 14-7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act (excluding persons whose number of share certificates, etc., held is not more than the number specified in Article 6 of the Cabinet Office Ordinance on Disclosure of Large Volume Share Certificate, etc. Holding Status), as well as any person deemed by the Company’s Board of Directors to substantively control, be controlled by, or is under joint control with the given person, or any person deemed by the Company’s Board of Directors to be a person acting in concert with the given person. This definition is applied throughout this proposal. Further, a “special capital relationship” is defined in Article 9, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act, “officer” is defined as a company director, executive officer, company auditor, accounting advisor, director, inspector, any person who holds the right to execute the business of that organization either solely or jointly, and any other person who has equivalent authority over that organization, and “control” is defined as where a person “controls decisions over financial and business policies” of another company, etc. (as defined in Article 3, Paragraph 3 of the Regulations for Enforcement of the Companies Act). Each of these definitions is applied throughout this proposal. In addition, the determination of a “person acting in concert” with the given person shall be made based on familial relationships, investment relationships, business partnership relationships, transactional or contractual relationships, concurrent board memberships, funding relationships, credit relationships, and the formation of a substantial interest in the Company’s share certificates, etc., through derivatives, stock lending, trust, etc., between the given person and another person, while also taking into consideration the direct or indirect influence that the given person and the other person exert on the Company.

of Directors, the Purchaser and any person whose ownership ratio of share certificates, etc., is expected to reach 20% or more through such purchase, etc., (hereinafter referred to as the "Quasi-Purchaser") shall, prior to the execution of the Purchase, submit to the Company, in the form prescribed by the Company, a document that contains the information prescribed in each number below (the "Required Information") and a pledge, etc., that such Purchaser and the Quasi-Purchaser will, upon conducting the Purchase, comply with the procedures established by the Plan (collectively, the "Purchase Statement").

Upon receiving the Purchase Statement, the Company's Board of Directors shall promptly supply it to the independent panel. If, on its receipt, the independent panel judges that the information in such Purchase Statement is not sufficient as the Required Information, after establishing a reasonable response deadline, the independent panel, either on its own or through the Company's Board of Directors, etc., may request the Purchaser or Quasi-Purchaser to submit additional Required Information. In this case, the Purchaser or Quasi-Purchaser shall submit additional Required Information by such deadline.

If the independent panel deems it necessary, it may request the provision of information to joint holders, specially related parties, affiliated persons, etc., of the Purchaser or Quasi-Purchaser, or third parties. This request shall not affect the obligation to provide information even if the same information is requested to the Purchaser and Quasi-Purchaser.

- 1) Detailed information (including specific names, familial relationships, capital structure, concurrent service relationships of officers, etc., financial details, financial relationships, the content of the agreement concerning the Company between the Purchaser and its group, details of previous transactions similar to the purchase, etc., by the Purchaser and the resulting impacts on the corporate value of the target company and whether or not it belongs to the group) of the Purchaser and its group (including joint holders, specially related parties, and partners (including other constituent members, officers, and those who fall under the category of affiliated persons thereof))
 - 2) The purposes, method, and terms of the purchase, etc. (including the value and type of consideration of the purchase, etc., and its timing, the structure of any related transactions, the legality of the method of the purchase, etc., and the feasibility of the purchase, etc.)
 - 3) The basis for calculation of the price of the purchase, etc. (including facts and assumptions that serve as the basis for calculation, the calculation method, the numerical data used for calculation, details and amount of synergies expected as a result of the series of transactions related to the purchase, etc., including the amount of synergies to be shared with minority shareholders)
 - 4) Evidence of the funds for the purchase, etc. (including the specific names of funds providers (including substantive providers), funding methods, and the terms of any related transactions, etc.)
 - 5) Management policy, business plan, capital policy, and dividend policy of the Company's Group following the Purchase
 - 6) Policies on the treatment and handling of the Company's employees, business partners, customers, and other stakeholders following the purchase, etc.
 - 7) Specific measures for avoiding any conflict of interest that may arise with other shareholders of the Company
 - 8) Other information regarded as reasonably necessary by the independent panel
- (c) Consideration of Purchase terms, negotiations with Purchaser, etc., by independent panel
- 1) Request to the Company's Board of Directors for the provision of information

The independent panel may, after establishing a suitable response deadline (up to a maximum of 60 days after a sufficient Purchase Statement and the Required Information are provided), taking into account the necessary time for, for example, information collection and corporate evaluation by the Company's Board of Directors and consideration of alternative proposals, etc., (including consideration by outside experts if necessary), also request to the Company's Board of Directors the prompt submission of comments regarding the Purchaser's terms for the purchase, etc., (which shall include statements of reservation; the same applies hereinafter) along with supporting documents, alternative proposals (if any), and other information, documents, etc., recognized as necessary by the independent panel for a comparative review of the content of the Purchase Statement and the Required Information, the management plans of the Company's Board of Directors, and the corporate evaluation by the Company's Board of Directors, and the assessment of alternative proposals of the Company's Board of Directors to be presented

to shareholders, from the perspective of maintaining and enhancing the Company's corporate value and the common interests of its shareholders.

2) Assessment by the independent panel

If the independent panel determines that sufficient information, documents, etc., (including those additionally requested) have been provided by the Purchaser, Quasi-Purchaser, and the Company's Board of Directors to commence assessment of the content of the purchase, etc., the independent panel will set a period for assessment of up to 60 days as a general rule (however, the independent panel may extend the period by a resolution thereof in such cases as stated in (d) 3) below) (the "Independent Panel Assessment Period"), and notify the Purchaser and the Company's Board of Directors to that effect. During the Independent Panel Assessment Period, the independent panel, for example, will consider the Purchaser's terms for the purchase, etc., collect information about and conduct a comparative review of the management and business plans of the Purchaser and the Company's Board of Directors, and assess the alternative proposals presented by the Company's Board of Directors.

Furthermore, if it is deemed necessary to improve the terms for the purchase, etc., from the perspective of maintaining and enhancing the Company's corporate value and the common interests of its shareholders, the independent panel may, directly or indirectly through the Company's Board of Directors or other parties conduct discussions, negotiations, and other similar interactions with the Purchaser.

If the independent panel requests directly or indirectly through the Company's Board of Directors or other parties the provision of documents for assessment or any other information, or discussions, negotiations, etc., the Purchaser and Quasi-Purchaser shall respond promptly.

3) Disclosure of information to shareholders

The Company will disclose to shareholders, at a time that it determines to be appropriate, the fact that a Purchaser has emerged, the fact that a Purchase Statement has been submitted by the Purchaser, the fact that the Independent Panel Assessment Period has commenced, the fact that the Company's Board of Directors has submitted an alternative proposal to the independent panel, an outline of the Required Information, and other information that it determines to be appropriate.

(d) Decision of the independent panel

After its deliberations, the independent panel will make a recommendation to the Company's Board of Directors, as detailed below. If the independent panel makes a resolution on any recommendation to the Company's Board of Directors, according to 1) through 3) below or on an extension of its examination period, or in other cases deemed appropriate, the Company will promptly disclose the details of such recommendation or extension and any other information that it determines to be appropriate.

1) If implementation of gratis allotment of Stock Acquisition Rights is recommended

If the Purchaser or Quasi-Purchaser has not complied with the procedures prescribed in the Plan, or if the independent panel has determined that, as a result of the assessment of the Purchaser's terms for the purchase, etc., and discussions, negotiations, etc., with the Purchaser, the purchase, etc., by the Purchaser falls under any of the requirements prescribed in (3) "Requirements for the implementation of the gratis allotment of the Stock Acquisition Rights" below, and has determined that it is appropriate to implement gratis allotment of the Stock Acquisition Rights, the independent panel will recommend that the Company's Board of Directors implement a gratis allotment of the Stock Acquisition Rights, irrespective of whether the Independent Panel Assessment Period has started or ended.

However, even after making a recommendation to implement the gratis allotment of the Stock Acquisition Rights, if the independent panel determines that any of the following reasons apply, it may cancel such the gratis allotment in the period until the day preceding the starting date of the exercise period for the Stock Acquisition Rights (defined in (f) of (4) "Outline of the gratis allotment of the Stock Acquisition Rights" below) (before such gratis allotment becomes effective) or make a new recommendation to acquire the Stock Acquisition Rights for no consideration (after such gratis allotment becomes effective).

(i) Where the Purchaser has withdrawn the purchase, etc., or the purchase, etc., no longer exists after such recommendation

(ii) Where, due to changes in the facts, etc., on which such recommendation was made,

none of the requirements prescribed in (3) “Requirements for the implementation of the gratis allotment of the Stock Acquisition Rights” below apply to the purchase, etc., by the Purchaser, or, even if any do apply, it is not appropriate to allow the implementation of the gratis allotment of the Stock Acquisition Rights or the exercise thereof

Even if the independent panel decides that it is appropriate to implement the gratis allotment of the Stock Acquisition Rights, if it considers the necessity of obtaining a resolution of a general meeting of shareholders regarding the implementation of the gratis allotment of the Stock Acquisition Rights and decides that it is appropriate to obtain a resolution of a general meeting of shareholders, the independent panel will recommend that the Company’s Board of Directors convene a general meeting of shareholders and submit a proposal regarding the implementation of the gratis allotment of the Stock Acquisition Rights. However, the independent panel will recommend obtaining a resolution from a general meeting of shareholders, unless there are special circumstances, excluding when it is determined that they fall under (3)(a) through (c).

2) If non-implementation of gratis allotment of Stock Acquisition Rights is recommended

If the independent panel has determined that, as a result of the assessment of the Purchaser’s terms for the purchase, etc., and discussions, negotiations, and other similar interactions with the Purchaser, none of the requirements prescribed in (3) “Requirements for the implementation of the gratis allotment of the Stock Acquisition Rights” below apply to the purchase, etc., by the Purchaser, or, even if any do apply, it is not appropriate to allow the implementation of the gratis allotment of the Stock Acquisition Rights, the independent panel will recommend that the Company’s Board of Directors not implement the gratis allotment of the Stock Acquisition Rights, irrespective of whether the Independent Panel Assessment Period has ended.

However, even after making the recommendation not to implement the gratis allotment of the Stock Acquisition Rights, if there are any changes in the facts that served as the basis for the judgement of such recommendation, and the independent panel determines that the purchase, etc., by the Purchaser falls under any of the requirements prescribed in (3) “Requirements for the implementation of the gratis allotment of the Stock Acquisition Rights” below and arrives at a decision that implementing the gratis allotment of the Stock Acquisition Rights is appropriate, the independent panel may make a new judgment, including a new recommendation to implement the gratis allotment of the Stock Acquisition Rights, and recommend this to the Company’s Board of Directors.

3) If the Independent Panel Assessment Period is extended

If the independent panel does not arrive at a recommendation for either the implementation or non-implementation of a gratis allotment of the Stock Acquisition Rights (including a recommendation to convene a general meeting of shareholders and submit a proposal regarding the implementation of a gratis allotment of the Stock Acquisition Rights) by the end of the initial Independent Panel Assessment Period, the independent panel will make a resolution to extend the Independent Panel Assessment Period within a period deemed to be reasonably necessary, for example, to consider the Purchaser’s terms for the purchase, etc., discuss and negotiate with the Purchaser, and assess any alternative proposals (provided that such period does not exceed 30 days).

If the Independent Panel Assessment Period is extended by such resolution, the independent panel shall continue to collect information, make assessments, etc., and make the maximum effort to make a recommendation for implementation or non-implementation of the gratis allotment of the Stock Acquisition Rights (including a recommendation to convene a general meeting of shareholders and submit a proposal regarding the implementation of a gratis allotment of the Stock Acquisition Rights) within the extended period.

(e) Resolutions by the Board of Directors and holding of a general meeting of shareholders

The Company’s Board of Directors shall pay utmost respect to the above-mentioned recommendation of the independent panel and promptly pass a resolution on the implementation or non-implementation of a gratis allotment of the Stock Acquisition Rights, etc., (including the cancellation of the gratis allotment of the Stock Acquisition Rights) as an organ prescribed in the Companies Act.

Furthermore, if the Company’s Board of Directors has been recommended by the independent panel to convene a general meeting of shareholders and submit a proposal regarding the implementation of a gratis allotment of the Stock Acquisition Rights, the

Company's Board of Directors will promptly convene a general meeting of shareholders and submit a proposal regarding the implementation of a grant allotment of the Stock Acquisition Rights so that a general meeting of shareholders can be held within the shortest period practically possible. In addition, if a resolution is made to implement a gratis allotment of the Stock Acquisition Rights at such general meeting of shareholders (resolution under Article 13, Paragraph 1 of the Articles of Incorporation of the Company), the Company's Board of Directors will execute the necessary procedures for the gratis allotment of the Stock Acquisition Rights in accordance with such decision by the general meeting of shareholders (if a resolution is made at the general meeting of shareholders to the effect that the matters related to the gratis allotment of the Stock Acquisition Rights will be entrusted to the Board of Directors, a resolution of the Board of Directors will be made regarding the implementation of the gratis allotment of the Stock Acquisition Rights). On the other hand, if the proposal regarding the implementation of the gratis allotment of the Stock Acquisition Rights is rejected at the general meeting of shareholders, the Company's Board of Directors shall make a resolution regarding the non-implementation of the gratis allotment of the Stock Acquisition Rights.

The Purchaser must not execute the purchase, etc., after the start of procedures regarding the Plan until the Company's Board of Directors passes a resolution on the implementation or non-implementation of a gratis allotment of the Stock Acquisition Rights (or until the proposal regarding the implementation of a gratis allotment of the Stock Acquisition Rights is approved or rejected at the general meeting of shareholders, if the above-mentioned general meeting of shareholders will be held).

If the Company's Board of Directors has passed a resolution regarding the implementation or non-implementation of a gratis allotment on the Stock Acquisition Rights or to convene such general meeting of shareholders or if a resolution on the implementation of the gratis allotment of the Stock Acquisition Rights was passed at a general meeting of shareholders, the Company's Board of Directors will promptly disclose information on the outline of such resolution and other matters it deems appropriate.

(3) Requirements for the implementation of the gratis allotment of the Stock Acquisition Rights

If any of the following applies and it is regarded as appropriate to implement a gratis allotment of the Stock Acquisition Rights, the Company plans to implement a gratis allotment of the Stock Acquisition Rights by a resolution of the Company's Board of Directors or a general meeting of shareholders as listed in (e) of (2) "Procedures regarding the Plan" above. Furthermore, as stated in (d) of (2) "Procedures regarding the Plan" above, whether or not any of the following requirements apply and whether or not the implementation of a gratis allotment of the Stock Acquisition Rights is appropriate are always determined by a decision of the independent panel.

- (a) Where the Purchaser or Quasi-Purchaser does not comply with the information sharing, guarantee of the Independent Panel Assessment Period, or other procedures prescribed in (b) of (2) "Procedures regarding the Plan" above (excluding cases of minor breach of procedures)
- (b) Where the purchase, etc., is likely to cause clear harm to the Company's corporate value and the common interests of its shareholders due to the following or other similar actions
 - 1) Accumulating the Company's share certificates, etc., in large quantities to demand that the Company purchase such share certificates, etc., at an inflated price
 - 2) Taking temporary control of the Company's management to conduct management that benefits the Purchaser to the detriment of the Company, such as the low-cost acquisition of material assets of the Company
 - 3) Diversion of the Company's assets to secure or repay debts of the Purchaser or its group companies
 - 4) Taking temporary control of the Company's management to bring about the disposal of high-value assets that have no current relevance to the Company's businesses with the aim of using the gains from that disposal to declare temporarily high dividends or to sell the shares at a high price, taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends
 - 5) Purchase made solely for the purpose of inflating the share price and forcing the Company's stakeholders, etc., to buy the shares at a high price without serious intention to participate in the management of the Company
- (c) Where the purchase, etc., is made by an organized crime group, a member of an organized crime group, a person who ceased to be a member of an organized crime group within the past five years, an associate member of an organized crime group, a company associated with an

- organized crime group, an extortionist that threatens to disrupt shareholder meetings, etc., a group engaging in criminal activities under the pretext of conducting social campaigns or a group specialized in intellectual crimes, etc., or other individuals of a similar nature
- (d) Where the purchase, etc., violates any laws and regulations, or where the Purchaser or its joint holders, or any specially related party or affiliated person thereof has committed any act in violation of any laws and regulations in connection with the purchase, etc.
 - (e) Where the purchase, etc., threatens to have the effect of compelling shareholders to sell their shares, such as a coercive two-tier tender offer (meaning a purchase of shares including a tender offer that sets acquisition terms for the second stage that are unfavorable for shareholders or unclear if all shares cannot be purchased in the first stage), or such as where there is risk that delisting may occur due to a partial tender offer (meaning a tender offer with a fixed upper limit of shares to be purchased).
 - (f) Where the purchase, etc., is to be made without sufficiently supplying the Required Information and other information regarded as reasonably necessary to judge the terms of the purchase, etc., to shareholders of the Company.
 - (g) Where the conditions of the purchase, etc., (including the value and type of compensation, and its timing, the legality of the method of the purchase, etc., the feasibility of the purchase, etc., and post-purchase policies regarding the treatment of shareholders other than the Company) are insufficient or inappropriate considering the Company's intrinsic value
 - (h) Where the purchase, etc., may be detrimental to the Company's medium- to long-term corporate value and common interests of its shareholders, due to it undermining support from the Company's customers and the cooperation of and relationships of mutual trust with employees as well as building contractors, distributors, manufacturers, financial institutions, and other transaction partners, which are indispensable for the creation of the Company's corporate value, the inappropriateness of post-purchase management policies and business plans (including policies for the treatment of the Company's employees, customers, transaction partners such as building contractors, distributors, manufacturers, and other stakeholders of the Company after the purchase, etc.), past violations of laws and regulations by the Purchaser or any of its affiliated persons; or it causing harm to the corporate brand value, corporate culture, or the social trust of the Company.
- (4) Outline of the gratis allotment of the Stock Acquisition Rights

The outline of the gratis allotment of the Stock Acquisition Rights according to the Plan is as follows. (For details of the Stock Acquisition Rights, see Appendix 1 "Terms for Gratis Allotment of Stock Acquisition Rights")

(a) Number of the Stock Acquisition Rights

The number of the Stock Acquisition Rights shall be equivalent to the final and total number of issued and outstanding Company shares (excluding the number of Company shares held by the Company at that time) as of the allotment date (the "Allotment Date") separately determined by resolution of the Board of Directors or a general meeting of shareholders on the implementation of a gratis allotment of the Stock Acquisition Rights (the "Gratis Allotment Resolution").

(b) Shareholders eligible for allotment

The Company will implement a gratis allotment of the Stock Acquisition Rights to shareholders, excluding the Company, who are entered or recorded in the Company's final register of shareholders on the Allotment Date at a ratio of one Stock Acquisition Right for every one Company share held.

(c) Effective date of the gratis allotment of the Stock Acquisition Rights

The effective date of the gratis allotment of the Stock Acquisition Rights shall be separately determined in the Gratis Allotment Resolution.

(d) Number of shares to be acquired upon exercise of the Stock Acquisition Rights

The number of Company shares to be acquired upon exercise of one Stock Acquisition Right* (to be a "book-entry transfer share" prescribed by Article 128, Paragraph 1 of the Act on Book-Entry Transfer of Corporate Bonds and Shares, which is subject to the provisions of the Act) (the "Applicable Number of Shares") shall be one share, unless separate adjustments

* Even if the Company becomes a company with class shares (defined in Article 2, Item (xiii) of the Companies Act) in the future, at the time of this Annual General Meeting of Shareholders, both 1) Company shares issued upon exercise of the Stock Acquisition Rights and 2) Company shares to be delivered in exchange for acquisition of the Stock Acquisition Rights are the same as the outstanding shares (common stock).

have been made.

(e) Value of the assets to be contributed upon exercise of the Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights shall be in cash, and the value of assets to be contributed per one Company share upon exercise of the Stock Acquisition Rights shall be an amount to be separately determined by the Gratis Allotment Resolution in the range of no less than ¥1 and no more than an amount equivalent to 50% of the market value of one Company share. “Market value” means the average of the closing prices (including quote indications) of regular transactions of Company shares on the Tokyo Stock Exchange for a period of 90 days until the day preceding the date of the Gratis Allotment Resolution (excluding any day without a closing price), with fractional amounts less than ¥1 rounded up to the nearest yen.

(f) Exercise period of the Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights shall be a period separately determined by the Gratis Allotment Resolution of between one month and three months, starting with the day to be separately determined by the Gratis Allotment Resolution (hereinafter, the first day of such exercise period shall be referred to as the “Exercise Period Starting Date”). However, if the Company acquires the Stock Acquisition Rights based on the prescriptions of (i) 2) below, the exercise period of the Stock Acquisition Rights involved in such acquisition shall be until the preceding business day of such acquisition date. Furthermore, if the final day of the exercise period falls on a non-business day of the institution managing the payment of cash payable upon exercise, the preceding business day will be the final day.

(g) Conditions for exercise of the Stock Acquisition Rights

(I) Specified large-scale holders,^{*} (II) joint holders of specified large-scale holders, (III) specified large-scale purchasers,[†] (IV) specially related parties of specified large-scale purchasers, (V) transferees of, or successors to, the Stock Acquisition Rights of any party falling under (I) to (IV) above without the approval of the Company’s Board of Directors, or (VI) any affiliated party of parties falling under (I) to (V) above (any parties falling under (I) to (VI) above shall be collectively referred to as “Non-Qualified Parties” hereinafter) may not exercise their Stock Acquisition Rights. Furthermore, nonresidents of Japan who must follow certain procedures under foreign applicable laws and regulations to exercise the Stock Acquisition Rights may not exercise the Stock Acquisition Rights. (However, certain nonresidents of Japan may exercise the Stock Acquisition Rights, such as those who are able to use exemption provisions under foreign applicable laws and regulations. In addition, the Stock Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for Company shares as set out in (i)(2) below). For details, see Appendix 1, “Terms for Gratis Allotment of Stock Acquisition Rights.”

(h) Transfer of the Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights via transfer thereof shall require the approval of the Company’s Board of Directors.

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

1) If the Company’s Board of Directors deems that it is appropriate for the Company to acquire Stock Acquisition Rights, the Company may acquire, on a date separately determined by the Company’s Board of Directors, all the Stock Acquisition Rights for no consideration at any time up to the date prior to the Exercise Period Starting Date.

2) On a date separately determined by the Company’s Board of Directors, the Company may acquire all the Stock Acquisition Rights held by parties other than the Non-Qualified Parties that have not been exercised by the business day preceding such date determined by the Company’s Board of Directors, and, in exchange, deliver Company shares in the Applicable Number of Shares for every one Stock Acquisition Right. In addition, if, on or after the date such acquisition takes place, the Company’s Board of Directors recognizes

^{*} “Specified large-scale holders” mean holders of share certificates, etc., issued by the Company and whose ownership ratio of said share certificates, etc., is deemed by the Company’s Board of Directors to be 20% or more. However, once a person falls under the category of “Specified large-scale holder,” even if that person’s ownership ratio of share certificates, etc., subsequently falls below 20%, such person shall remain under the category of specified large-scale holder as a general rule.

[†] “Specified large-scale purchasers” mean persons who have provided public notice of a tender offer for share certificates, etc., (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same applies throughout this footnote) issued by the Company and who is determined by the Company’s Board of Directors to be likely, following such tender offer, to have an ownership ratio in respect of such share certificates, etc., of 20% or more when aggregated with the ownership ratio of share certificates, etc., of such person’s specially related parties.

the existence of any person holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may, on a day separately determined by the Company's Board of Directors after the date upon which such acquisition takes place, acquire all of the Stock Acquisition Rights held by that person that have not been exercised by or on the business day immediately prior to such date determined by the Company's Board of Directors and, in exchange, deliver Company shares in the Applicable Number of Shares for every one Stock Acquisition Right. The same applies thereafter. On the other hand, regarding Stock Acquisition Rights held by Non-Qualified Parties, the Company may attach provisions such as acquisition clauses that take into account their effects as countermeasures against large-scale acquisitions, including acquisition clauses providing that such rights may be acquired in exchange for different stock acquisition rights subject to certain exercise conditions or acquisition clauses.

For details, see Appendix 1, "Terms for Gratis Allotment of Stock Acquisition Rights."

(5) Procedures for the renewal of the Plan

Pursuant to Article 13 of the Articles of Incorporation of the Company, the renewal of the Plan is subject to the approval of the shareholders at this Annual General Meeting of Shareholders to delegate to the Company's Board of Directors the authority to decide matters related to the gratis allotment of the Stock Acquisition Rights in accordance with the conditions stated in the Plan.

(6) Establishment of independent panel

The Company will establish an independent panel to eliminate arbitrary decisions by the Company's Board of Directors regarding the implementation or non-implementation of the gratis allotment of the Stock Acquisition Rights based on the Plan and as an organization that makes substantive decisions in relation to operations of the Plan in an objective manner on behalf of the shareholders. If the renewal of the Plan is approved at this Annual General Meeting of Shareholders, the members of the independent panel after the renewal will be composed of one Outside Director of the Company (scheduled to be elected at this Annual General Meeting of Shareholders), two Outside Corporate Auditors, and one outside expert, who are all highly independent from the Company's management team. (For a brief personal record of the members of the independent panel scheduled to assume office after the renewal of the Plan, see Appendix 2, "Names and Brief Personal Records of Members of the Independent Panel.") When the purchase, etc., is actually to be made, the independent panel will make substantive decisions, as listed in (2) "Procedures regarding the Plan" above, on such issues as whether such purchase, etc., will harm the Company's corporate value and the common interests of its shareholders. The Company's Board of Directors will pay the utmost respect to those decisions and pass resolutions as an organ prescribed in the Companies Act.

To ensure that the decisions of the independent panel are made in a manner that serves the Company's corporate value and the common interests of shareholders, the independent panel may receive advice from independent third parties (including financial advisors, certified public accountants, attorneys, consultants, and other experts) at the Company's expense.

(7) Effective Period, abolition, and modification of the Plan

The duration of the delegation of decision-making authority on matters related to the gratis allotment of the Stock Acquisition Rights in the Plan by resolution of this Annual General Meeting of Shareholders listed in (5) Procedures for the renewal of the Plan above (the "Effective Period") shall be the period up to the conclusion of the annual general meeting of shareholders pertaining to the final business year ending within three years after the conclusion of this Annual General Meeting of Shareholders.

Even before the expiration of the Effective Period, however, the Plan shall be abolished at the time when 1) a resolution is passed at a general meeting of shareholders of the Company to revoke such delegation to the Company's Board of Directors regarding decisions on matters related to a gratis allotment of the Stock Acquisition Rights in the Plan, or 2) a resolution is passed to abolish the Plan by the Company's Board of Directors, which is composed of the Directors appointed at a general meeting of shareholders of the Company.

Moreover, even during the Effective Period of the Plan, the Company's Board of Directors may, subject to the approval of the independent panel, revise or modify the Plan if such revision or modification is not contrary to the purpose of the delegation resolution of this Annual General Meeting of Shareholders described in (5) Procedures for the renewal of the Plan above. (Examples include cases where any law, regulation, financial instrument exchange rule, etc., concerning the Plan is established, revised, or abolished, and it is appropriate to incorporate such establishment, revision, or abolition; cases where it is appropriate to revise the wording due to

typographical errors, omissions, etc.; and cases where such revision or modification is not detrimental to the Company's shareholders.)

If the Plan is abolished, revised, or modified, the Company will promptly disclose that such abolition, revision, or modification has taken place, the details of the modification or revision (if any), and any other related matters.

(Reference)

The details of the Plan are as listed in III 2. above, but Items 1 and 2 below describe the impact on shareholders and investors at the time of the Plan's renewal and at the time of implementation of a gratis allotment of the Stock Acquisition Rights and the decisions of the Company's Board of Directors regarding the Plan and their reasons, respectively. The Company would appreciate the approval of shareholders for this proposal after also giving consideration to these points.

1. Impact on shareholders and investors

(1) Impact on shareholders and investors at the time of the Plan's renewal

At the time of the Plan's renewal, the Company's Board of Directors will merely be delegated the authority to determine a gratis allotment of the Stock Acquisition Rights in accordance with a resolution of a general meeting of shareholders, and no gratis allotment of the Stock Acquisition Rights itself will be implemented. Therefore, it would not have any direct or material impact on shareholders and investors.

(2) Impact on shareholders and investors at the time of implementation of a gratis allotment of the Stock Acquisition Rights

If a resolution is passed to implement a gratis allotment of the Stock Acquisition Rights at a Board of Directors meeting or a general meeting of shareholders of the Company, the Stock Acquisition Rights will be allotted for no consideration at a ratio of one Stock Acquisition Right for every one Company share held by shareholders on the Allotment Date prescribed separately in the Gratis Allotment Resolution. If shareholders were not to make a cash payment or perform other procedures related to the exercise of the Stock Acquisition Rights explained in detail in (b) of (3) Procedures shareholders must follow in case of a gratis allotment of the Stock Acquisition Rights below, the value of all Company shares held by those shareholders would be diluted by the exercise of the Stock Acquisition Rights by other shareholders. However, the Company may acquire the Stock Acquisition Rights from shareholders other than Non-Qualified Parties and, in exchange, deliver Company shares by the procedures listed in (c) of (3) "Procedures shareholders must follow in case of a gratis allotment of the Stock Acquisition Rights." If the Company completes the procedures for such acquisition, shareholders other than Non-Qualified Parties will receive Company shares without exercising the Stock Acquisition Rights or paying cash equivalent to the prescribed exercise valuation. In this case, there will be a dilution of the value of each Company share held, but there will not be a financial dilution of the value of all Company shares held as a general rule.

In addition, even once the Gratis Allotment Resolution has passed, the Company may, by paying utmost respect to the recommendation of the independent panel stated in (d) 1) under 2. (2). "Procedures regarding the Plan," cancel the gratis allotment of the Stock Acquisition Rights on or before the effective date of the gratis allotment of the Stock Acquisition Rights or acquire the Stock Acquisition Rights without consideration after the effective date of the gratis allotment of the Stock Acquisition Rights up to the day preceding the Exercise Period Starting Date. In such cases, as no dilution of per share value in Company shares will occur, it is possible that any shareholders or investors who have sold, bought, or otherwise traded Company shares expecting to see a dilution of per share value may suffer commensurate financial losses as a result of a fluctuation in the share price.

(3) Procedures shareholders must follow in case of a gratis allotment of the Stock Acquisition Rights

(a) Procedure for a gratis allotment of the Stock Acquisition Rights

If it is resolved to implement a gratis allotment of the Stock Acquisition Rights at a Board of Directors' meeting or general meeting of shareholders of the Company, the Company will publicly announce the Allotment Date for the gratis allotment of the Stock Acquisition Rights. In this case, shareholders who are entered or recorded in the final register of shareholders as of the Allotment Date will become the Stock Acquisition Rights holders on the effective date of the gratis allotment of the Stock Acquisition Rights as a matter of course and are not required to follow any application procedures.

(b) Procedure for the exercise of the Stock Acquisition Rights

The Company will, as a general rule, send an exercise request form for the Stock Acquisition Rights (in a form prescribed by the Company and containing necessary matters such as the

terms and number of the Stock Acquisition Rights for exercise, the exercise date for the Stock Acquisition Rights, and the account for transfer of transferrable stock, as well as representations and warranties regarding matters such as that the shareholders themselves are not Non-Qualified Parties, indemnity clauses, and other covenants) and other documents necessary for the exercise of the Stock Acquisition Rights to the shareholders who are entered or recorded in the Company's final register of shareholders on the Allotment Date. After the gratis allotment of the Stock Acquisition Rights, the shareholders will be issued one Company share per one Stock Acquisition Right, as a general rule, by submitting such exercise request form and these necessary documents in accordance with the prescriptions of the Company during the exercise period of the Stock Acquisition Rights and before the acquisition of the Stock Acquisition Rights by the Company becomes effective, and, after such exercise request form and these necessary documents have arrived at the acceptance location for requests to exercise the Stock Acquisition Rights, and paying to such acceptance location for exercise requests an amount equivalent to the exercise price prescribed by the Gratis Allotment Resolution in the range of no less than ¥1 and no more than an amount equivalent to 50% of the market value of one Company share per one Company share.

(c) Procedure for the purchase of the Stock Acquisition Rights by the Company

If the Company's Board of Directors decides to acquire the Stock Acquisition Rights, the Company will acquire the Stock Acquisition Rights in accordance with the statutory procedures on the date separately determined by the Company's Board of Directors.

Among these, if the Company acquires the Stock Acquisition Rights from the shareholders other than the Non-Qualified Parties and, in exchange, delivers Company shares to the shareholders concerned, as a general rule, such shareholders will receive one Company share for every one Stock Acquisition Right as consideration for the acquisition by the Company of those Stock Acquisition Rights, without paying an amount equivalent to the exercise price. In such cases, however, such shareholders may be separately requested to submit, in a form prescribed by the Company, a written document including necessary matters such as the account for transfer of transferrable stock, representations and warranties regarding matters such as the fact that they are not Non-Qualified Parties, indemnity clauses, and other covenants.

In addition to the above, after the details of methods for the allotment and exercise of the Stock Acquisition Rights and the acquisition by the Company are determined by the Gratis Allotment Resolution, the Company will disclose or report these particulars to shareholders, so the Company requests that shareholders confirm such details.

2. Decisions and reasoning by the Company's Board of Directors regarding the Plan

Decisions and reasoning by the Company's Board of Directors regarding the Plan are listed below in (1) and (2).

(1) The Plan follows the Basic Policy.

The Plan is a framework to ensure the Company's corporate value and the common interests of its shareholders when a purchase, etc., of the Company's share certificates, etc., is to be made. The Plan, for example, ensures the necessary time and information for the shareholders to decide whether to accept the purchase, etc., or for the Company's Board of Directors to present alternative proposals to the shareholders, and enables the Board of Directors to discuss or negotiate with the Purchaser for the benefit of the shareholders, and it follows the Basic Policy.

(2) Such efforts are not detrimental to the common interests of shareholders and are not intended to maintain the positions of the Company's Directors.

The Company believes that the efforts to prevent control by a person regarded as inappropriate based on the Basic Policy are not detrimental to the common interests of its shareholders and are not intended to maintain the positions of the Company's Directors, for the following reasons.

(a) They satisfy the requirements of the guidelines for takeover defense measures.

The Plan satisfies the three principles set out in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. The Plan was designed while taking into account the "Takeover Defense Measures in Light of Recent Environmental Changes," which was publicly released on June 30, 2008 by the Corporate Value Study Group that was established in the Ministry of Economy, Trade and Industry, and the "Guidelines for Corporate Takeovers — Enhancing

Corporate Value and Securing Shareholders' Interests – ” published by the Ministry of Economy, Trade and Industry on August 31, 2023.

- (b) They give due weight to the will of shareholders. (resolutions made at general meetings of shareholders and sunset clauses)

As listed in III 2. (5) Procedures for the renewal of the Plan above, the Plan will be renewed by the passing of a delegation resolution related to the Plan at this Annual General Meeting of Shareholders.

Furthermore, as listed in III 2. (7) “Effective Period, abolition, and modification of the Plan” above, the Plan has a so-called sunset clause that sets the Effective Period to approximately three years and if, even before the expiration of the Effective Period of the Plan, a resolution is passed to revoke that delegation resolution at the Company’s general meeting of shareholders, or a resolution is passed to abolish the Plan at a meeting of the Board of Directors composed of Directors who were elected at the Company’s general meeting of shareholders, the Plan will be abolished at that time. In that sense, the appropriateness of continuing the Plan is based on the will of the Company’s shareholders.

- (c) Respecting the judgement of highly independent external experts and information disclosure

In renewing the Plan, the Company has decided to continue having the independent panel make substantive judgements related to the operation of a gratis allotment of the Stock Acquisition Rights, etc., to eliminate arbitrary decisions by the Company’s Board of Directors on behalf of shareholders.

When the purchase, etc., was actually made regarding the Company, as listed in III 2. (2) “Procedures regarding the Plan” above, this independent panel shall make substantial decisions, in accordance with the regulations for the independent panel, on such issues as whether the purchase, etc., would harm the Company’s corporate value and the common interests of its shareholders. The Company’s Board of Directors will pay the utmost respect to those decisions and pass resolutions as an organ prescribed in the Companies Act.

In this way, the independent panel strictly monitors the Company’s Board of Directors so that it does not arbitrarily implement a gratis allotment of the Stock Acquisition Rights, and outlines of these decisions will be disclosed to shareholders. This ensures a structure under which the Plan is managed in a way consistent with the Company’s corporate value and the common interests of its shareholders.

After the renewal of the Plan, the initial members of the independent panel will be composed of one Outside Director of the Company (scheduled to be elected at this Annual General Meeting of Shareholders), two Outside Corporate Auditors of the Company and one external expert, who are all highly independent from the Company’s management team. (For the members of the independent panel scheduled to assume office after the update to the Plan, see Appendix 2.)

- (d) Establishment of reasonable and objective requirements

As listed in III 2. (2) (d) “Decision of the independent panel” and III 2. (3) “Requirements for the implementation of the gratis allotment of the Stock Acquisition Rights” above, the Plan will not implement a gratis allotment of the Stock Acquisition Rights unless reasonable, detailed, and objective requirements that have been set forth in advance are satisfied, and it can be such that it ensures a mechanism for preventing arbitrary implementation by the Company’s Board of Directors.

- (e) The term of office for Directors of the Company is one year.

The Company has set a term of office for its Directors of one year, which enables the shareholders’ will to be reflected in the Plan through the annual election of Directors of the Company even during the Effective Period of the Plan.

- (f) Receipt of opinions of outside experts

As listed in III 2. (6) “Establishment of independent panel” above, the independent panel may obtain advice from independent third parties (including financial advisors, certified public accountants, attorneys, consultants, and other experts) at the Company’s expense. This creates a framework that more strongly guarantees fairness and objectivity in the decisions of the independent panel.

- (g) Not a dead-hand or slow-hand takeover defense measure

As listed in III 2. (7) “Effective Period, abolition, and modification of the Plan” above, the Plan has been designed so that it can be abolished by the Board of Directors composed of Directors nominated by a person who purchased a large number of share certificates, etc., of the Company and elected at the Company’s general meeting of shareholders. Therefore, the

Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the Board of Directors are replaced, the triggering of the measure cannot be prevented). In addition, the Plan is not a slow-hand takeover defense measure (a takeover defense measure that takes time to prevent the triggering of the measure due to the fact that the members of the Board of Directors cannot be replaced all at once) because the Company does not use a rotational term system for Directors.

Terms for Gratis Allotment of Stock Acquisition Rights

I. Determination of matters related to the gratis allotment of Stock Acquisition Rights

(1) Details and number of the Stock Acquisition Rights

The details of the Stock Acquisition Rights allotted to shareholders (separately or collectively, “Stock Acquisition Rights”) shall be based on the information listed in II. below. The number of the Stock Acquisition Rights shall be equivalent to the final and total number of issued and outstanding Company shares (excluding the number of Company shares held by the Company at that time) as of the allotment date (the “Allotment Date”) separately determined by a Board of Directors’ resolution or a general meeting of shareholders’ resolution on the implementation of a gratis allotment of the Stock Acquisition Rights (the “Gratis Allotment Resolution”).

(2) Shareholders eligible for allotment

The Company will implement a gratis allotment of the Stock Acquisition Rights to those shareholders, excluding the Company, who are entered or recorded in the Company’s final register of shareholders on the Allotment Date at a ratio of one Stock Acquisition Right for every one Company share held.

(3) Effective date of the gratis allotment of the Stock Acquisition Rights

The effective date of the gratis allotment of the Stock Acquisition Rights shall be separately determined in the Gratis Allotment Resolution.

II. Details of the Stock Acquisition Rights

(1) Number of shares to be acquired upon exercise of the Stock Acquisition Rights

1) The number of Company shares to be acquired upon exercise of one Stock Acquisition Right (the “Applicable Number of Shares”) shall be one share.

2) However, if the Company splits or consolidates its common stock, the Applicable Number of Shares will be adjusted according to the following formula. If any fraction less than one share arises because of such adjustment, such fraction shall be discarded. Adjustments by cash will not be made.

Applicable Number of Shares after adjustment =
Applicable Number of Shares before adjustment × Ratio of split or consolidation

3) The Applicable Number of Shares after adjustment shall be applicable on or after the effective date of the stock split or stock consolidation.

4) In addition to the provisions of 2) above, when it is necessary to adjust the Applicable Number of Shares due to a gratis allotment of shares, merger, company split, or an action that changes or may change of the total number of issued shares of the Company (excluding the number of Company shares held by the Company), the Applicable Number of Shares will be adjusted reasonably, after considering the conditions of the gratis allotment of shares, merger, company split, or other similar action.

(2) Value of the assets to be contributed upon exercise of Stock Acquisition Rights

1) Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount is obtained by multiplying the exercise price (defined in 2) below) by the Applicable Number of Shares.

2) The value of assets to be contributed per one Company share upon exercise of the Stock Acquisition Rights (the “Exercise Price” hereinafter) shall be an amount to be separately determined by the Gratis Allotment Resolution in the range of no less than ¥1 and no more than an amount equivalent to 50% of the market value of one Company share. “Market value” means the average of the closing prices (including quote indications) of regular transactions of Company shares on the Tokyo Stock Exchange for a period of 90 days until the day preceding the date of the Gratis Allotment Resolution (excluding any day without a closing price), with fractional amounts less than ¥1 rounded up to the nearest yen.

(3) Exercise period of the Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights shall be a period separately determined by the Gratis Allotment Resolution of between one month and three months, starting with the day to be separately determined by the Gratis Allotment Resolution. However, if the Company acquires the Stock Acquisition Rights based on the provisions of (7) 2) below, the exercise period of the Stock Acquisition Rights involved in such acquisition shall be until the preceding business day of such acquisition date. Furthermore, if the final day of the exercise period falls on a non-business day of the institution managing the payment of cash payable upon exercise, the preceding business day will be the final day.

(4) Conditions for exercise of Stock Acquisition Rights

- 1) (i) Specified large-scale holders, (ii) joint holders of specified large-scale holders, (iii) specified large-scale purchasers, (iv) specially related parties of the specified large-scale purchasers, (v) transferees of, or successors to, the Stock Acquisition Rights from any persons or companies falling under (i) to (iv) above without the approval of the Company's Board of Directors, or (vi) any affiliated party of parties listed in (i) to (v) above (any parties falling under (i) to (vi) above shall be collectively referred to as the "Non-Qualified Parties" hereinafter) may not exercise their Stock Acquisition Rights.

Terminology used above is defined as follows.

- (A) "Specified large-scale holders" mean holders (including persons included in holders based on Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act) of share certificates, etc., (as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act; the same applies below unless otherwise specified) issued by the Company and whose ownership ratio (as defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act) of such share certificates, etc., is deemed by the Company's Board of Directors to be 20% or more. However, once a person falls under the category of "Specified large-scale holders," even if that person's ownership ratio of share certificates, etc., subsequently falls below 20%, such person shall remain under the category of specified large-scale holder unless otherwise specified in these Terms.
- (B) "Joint holders" means joint holders defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act and includes persons regarded as joint holders under Paragraph 6 of the same Article.
- (C) "Specified large-scale purchasers" mean persons who have provided public notice of a tender offer for share certificates, etc., (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same applies hereinafter in (C)) issued by the Company and who is determined by the Company's Board of Directors to be likely, following such tender offer, to have an ownership ratio (as defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act; the same applies below) in respect of such share certificates, etc., of 20% or more when aggregated with the ownership ratio of share certificates, etc., of such person's specially related parties.
- (D) "Specially related parties" means any special related parties as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act. However, parties prescribed in Article 3, Paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers are excluded from the parties listed in Item 1 of the same paragraph.
- (E) An "affiliated party" of a given person means the spouse or any relative within the second degree of kinship of the given person, any person that has a special capital relationship with the given person or a person with which the given person has a special capital relationship, any officer of the given person or any corporation or other organization in which the given person serves as an officer, any corporation or other organization in which a majority of the officers are current or former officers or employees of the given person, any corporation or other organization whose current or former officers or employees comprise the majority of the officers of the given person, or any person who has a relationship with the given person as set forth in the items of Article 14-7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act (excluding persons whose number of share certificates, etc., held is not more than the number specified in Article 6 of the Cabinet Office Ordinance on Disclosure of Large Volume Share Certificates, etc. Holding Status), as well as any person deemed by the Company's Board of Directors to substantively control, be controlled by, or is under joint control with the given person, or any person deemed by the Company's Board of Directors to be a person acting in concert with the given person. * In the above, "officer" means a company director, executive officer, company auditor, accounting advisor, director, inspector, any person who holds the right to execute the business of that organization either solely or jointly, and any other person who has equivalent authority over that organization, a "special capital relationship" is defined in Article 9, Paragraph 1 of

* The determination of a "person acting in concert" with the given person shall be made based on familial relationships, investment relationships, business partnership relationships, transactional or contractual relationships, concurrent board memberships, funding relationships, credit relationships, and the formation of a substantial interest in the Company's share certificates, etc., through derivatives, stock lending, trust, etc., between the given person and another person, while also taking into consideration the direct or indirect influence that the given person and the other person exert on the Company.

- the Order for Enforcement of the Financial Instruments and Exchange Act, and “control” is defined as where a person “controls decisions over financial and business policies” of another company, etc. (as defined in Article 3, Paragraph 3 of the Regulations for Enforcement of the Companies Act).
- 2) Regardless of 1) above, persons that are listed under each item of (A) through (C) below shall not be deemed Specified Large-Scale Holders or Specified Large-Scale Purchasers.
 - (A) The Company, subsidiary companies of the Company (as defined in Article 8, Paragraph 3 of Regulation on Terminology, Forms, and Preparation Methods of Financial Statements), or affiliated companies of the Company (as defined in Article 8, Paragraph 5 of the same regulation)
 - (B) A person who the Company’s Board of Directors recognizes as having become a Specified Large-Scale Holder referred to in 1) (i) above without the intent of that person or its joint holders due to the acquisition of treasury shares by the Company or other reasons (However, this shall exclude cases where such person subsequently newly acquires the Company’s share certificates, etc., of its own volition.)
 - (C) A person for whom the Company’s Board of Directors deems that acquisition or possession of Company share certificates, etc., by the person does not conflict with the Company’s corporate value or the common interests of its shareholders (persons deemed by the Company’s Board of Directors as falling under Non-Qualified Parties are limited to cases in which the Company’s Board of Directors has separately determined that the person is not in conflict with the Company’s corporate value or the common interests of its shareholders, or the person satisfies the conditions if the Company’s Board of Directors has determined that the person is not in conflict with the corporate value of the Company or the common interest of its shareholders under certain conditions.)
 - 3) If certain conditions that should be treated as if the purchase, etc., has been withdrawn are met in accordance with separate provisions in the Gratis Allotment Resolution, the Company shall add the provision that Non-Qualified Parties may exercise Stock Acquisition Rights to the exercise conditions.
 - 4) Where it is deemed necessary to (i) implement prescribed procedures, (ii) satisfy prescribed conditions (including prohibition of exercise during a fixed interval or submission of prescribed documents), or (iii) both when allowing a person in a jurisdiction subject to applicable foreign laws to exercise Stock Acquisition Rights (collectively “Governing Law Exercise Procedures and Conditions”), the person in such jurisdiction may exercise the Stock Acquisition Rights only when the Company’s Board of Directors deems that such Governing Law Exercise Procedures and Conditions have all been implemented or satisfied. If the Company’s Board of Directors does not deem that they have been satisfied, the Stock Acquisition Rights cannot be executed.

The Company’s Board of Directors does not bear an obligation to implement or satisfy the Governing Law Exercise Procedures and Conditions that must be implemented or satisfied when allowing a person in such jurisdiction to exercise Stock Acquisition Rights. Furthermore, where allowing a person in such jurisdiction to exercise Stock Acquisition Rights is not legally recognized in such jurisdiction, a person in such jurisdiction may not exercise Stock Acquisition Rights.
 - 5) Regardless of 4) above, a person in the U.S. may exercise Stock Acquisition Rights only if (i) the person declares and guarantees that they are an accredited investor as defined by Rule 501 (a) of the Securities Act of 1933, and (ii) the person pledges to resell the Company shares to be acquired as a result of exercising of the Stock Acquisition Rights held by the person only through a regular transaction at the Tokyo Stock Exchange (however, this shall not be based on any previous arrangements and there shall be no prior solicitation). Solely in such cases, the Company shall implement or satisfy Regulation D of the Securities Act of 1933 and the Governing Law Exercise Procedures and Conditions related to U.S. state laws that must be implemented or satisfied by the Company for a person in the U.S. to exercise such Stock Acquisition Rights. Moreover, a person in the U.S. may not exercise the Stock Acquisition Rights if the Company’s Board of Directors deems that the exercise of Stock Acquisition Rights cannot be lawfully recognized under the U.S. Securities Act due to a change in the law of the United States or some other reason, even if the person satisfies (i) and (ii) above.
 - 6) A holder of Stock Acquisition Rights may exercise stock acquisition rights only after submitting written documents of representations and warranties, such as the fact that the holder does not meet the conditions for Non-Qualified Parties and is not attempting to exercise Stock Acquisition Rights on behalf of a person that meets the conditions for Non-Qualified Parties, indemnification

provisions, and other matters prescribed by the Company, and written documents required by law, etc.

- 7) Even if the holder of Stock Acquisition Rights is unable to exercise Stock Acquisition Rights due to the provisions in this item (4), the Company accepts no liability for damages or any other responsibility toward the holder of such Stock Acquisition Rights.
- (5) Capital stock and capital reserve to be increased by issuing of shares upon exercise of Stock Acquisition Rights
The amount of capital stock to be increased by issuing shares upon exercise of Stock Acquisition Rights shall be prescribed separately by the Gratis Allotment Resolution.
- (6) Restrictions on transfer of stock acquisition rights
 - 1) Acquisition of the Stock Acquisition Rights through a transfer must be approved by the Company's Board of Directors.
 - 2) If a person who is attempting to transfer the Stock Acquisition Rights is outside Japan and is unable to exercise the Stock Acquisition Rights due to the provisions of (4) 4) or 5) above (excluding Non-Qualified Parties), the Company's Board of Directors will decide whether to approve as in 1) above after considering the following reasons, etc.
 - (A) Whether or not a letter of intent created and signed or sealed by the transferor and transferee has been submitted regarding the acquisition of some or all Stock Acquisition Rights by transfer by a person in such jurisdiction
(whether or not representations and warranties regarding (B) through (D) below, indemnification provisions, and penalty clauses have been submitted)
 - (B) Whether or not it is clear that the transferor and transferee are not Non-Qualified Parties
 - (C) Whether or not it is clear that the transferee is not in such jurisdiction and is not attempting to accept Stock Acquisition Rights on behalf of a person in such jurisdiction
 - (D) Whether or not it is clear that the transferee is not attempting to accept Stock Acquisition Rights on behalf of a Non-Qualified Party
- (7) Acquisition of Stock Acquisition Rights by the Company
 - 1) Upon arrival of the date separately determined by the Company's Board of Directors, the Company may acquire all the Stock Acquisition Rights for no consideration at any time up to the day prior to the Exercise Period Starting Date if the Company's Board of Directors deems that it is appropriate for the Company to acquire such Stock Acquisition Rights.
 - 2) Upon the arrival of the date separately determined by the Company's Board of Directors, the Company may acquire all the Stock Acquisition Rights held by parties other than Non-Qualified Parties that have not been exercised by the business day preceding such date determined by the Company's Board of Directors, and, in exchange, deliver Company shares in the Applicable Number of Shares for every one Stock Acquisition Right. In addition, if, on or after the date such acquisition takes place, the Company's Board of Directors deems that there are any parties holding the Stock Acquisition Rights other than the Non-Qualified Parties, the Company may acquire all the unexercised Stock Acquisition Rights held by such parties upon the arrival of the date determined by the Company's Board of Directors, which should be later than the date of the aforementioned acquisition, and up to the date preceding the date determined by the Company's Board of Directors, and, in exchange, deliver Company shares in the Applicable Number of Shares for every one Stock Acquisition Right. The same shall apply thereafter.
 - 3) Regarding the Stock Acquisition Rights held by Non-Qualified Parties, as separately determined by the Gratis Allotment Resolution, the Company may attach provisions such as acquisition clauses that take into account their effects as countermeasures against large-scale acquisitions (including handling in cases where a purchase, etc., has been withdrawn), including acquisition clauses providing that such rights may be acquired in exchange for different stock acquisition rights subject to certain exercise conditions or acquisition clauses.
- (8) Delivery of the Stock Acquisition Rights and its conditions in the case of merger (limited to cases in which the Company ceases to exist due to the merger), absorption-type company split, incorporation-type company split, share exchange, and share transfer
Determined separately in the Gratis Allotment Resolution.
- (9) Issuance of certificates representing the stock acquisition rights
Certificates representing the Stock Acquisition Rights will not be issued.
- (10) Revisions due to amendment of laws, etc.
The provisions of the laws and regulations cited above are based on those in effect as of the current date of May 14, 2026. If any enactment, amendment, or abolition of laws and regulations from this date forward necessitates amendment to the provisions, definition of terms, etc., set out in the

paragraphs above, such provisions, definition of terms, etc., may be replaced as appropriate within a reasonable range upon consideration of the purpose of such enactment, amendment, or abolition.

Names and Brief Personal Records of Members of the Independent Panel

The following four persons are scheduled to be the members of the Company's independent panel after the update to the Plan.

Name: Kiyohito Hamada

Brief personal record:

Date of Birth: November 30, 1957

October 1985	Joined Sanwa Audit Corporation (currently Deloitte Touche Tohmatsu LLC)
April 1989	Registered as a certified public accountant
February 1998	Registered as a certified tax accountant
April 1998	Partner, Yotsubasogo Accounting Office (to present)
June 2007	Outside Corporate Auditor, KITO CORPORATION
March 2014	Outside Corporate Auditor, Medical Data Vision Co., Ltd.
September 2016	Outside Member of the Audit and Supervisory Board, SOU Inc. (currently Valuence Holdings Inc.)
September 2017	Outside Board Director, Convano Inc.
June 2019	Outside Director, Company (to present)
November 2019	Outside Director (Member of the Audit and Supervisory Committee), SOU Inc. (currently Valuence Holdings Inc.)

Note: There are no business relationships or special interests between Mr. Kiyohito Hamada and the Company. The Company has notified the Tokyo Stock Exchange of Mr. Kiyohito Hamada as an independent officer pursuant to the regulations of the Exchange. Mr. Kiyohito Hamada is a candidate for Outside Director in Proposal 2, "Election of ten (10) Directors."

Name: Mikiharu Noma

Brief personal record:

Date of Birth: November 6, 1974

April 2002	Full-time lecturer, Faculty of Commerce, Yokohama City University
October 2003	Assistant Professor, Faculty of Commerce, Yokohama City University
October 2004	Assistant Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
April 2007	Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
June 2016	Outside Director, Bandai Namco Holdings Inc.
April 2018	Associate Professor, Graduate School of Business Administration Department of Business Administration, Hitotsubashi University
April 2019	Professor, Graduate School of Business Administration Department of Business Administration, Hitotsubashi University (to present)
June 2019	Outside Corporate Auditor, the Company (to present)
June 2021	Outside Director, NIHON CHOUZAI Co., Ltd. (to present)
January 2022	Outside Director, Good Com Asset Co., Ltd. (to present)
April 2026	Outside Director, Miraial Co., Ltd. (to present)

Note: There are no business relationships or special interests between Mr. Mikiharu Noma and the Company. The Company has notified the Tokyo Stock Exchange of Mr. Mikiharu Noma as an independent officer pursuant to the regulations of the Exchange.

Name: Tamaki Shibayama

Brief personal record:

Date of Birth: November 28, 1959

April 1982	Joined the Japan Chamber of Commerce and Industry
October 1986	Joined Daiwa Securities Co., Ltd.
April 2002	General Manager of Public Offering Underwriting Department, Daiwa Securities SMBC Co., Ltd. (currently Daiwa Securities Co., Ltd.)
April 2007	General Manager of Osaka Public Offering Underwriting Department, Daiwa Securities SMBC Co., Ltd.
April 2009	General Manager of Underwriting Department, Daiwa Securities SMBC Co., Ltd.
October 2010	General Manager of Corporate Auditor's Office, Daiwa Securities Capital Markets Co. Ltd. (currently Daiwa Securities Co., Ltd.)
April 2011	General Manager of Corporate Clients Banking Department (VII), Daiwa Securities Capital Markets Co., Ltd.
April 2015	Full-time Auditor, Daiwa Real Estate Asset Management Co., Ltd.
April 2015	Auditor, Daiwa Investor Relations Co., Ltd.
April 2015	Corporate Auditor, Daiwa Fund Consulting Co., Ltd.
June 2020	Outside Corporate Auditor, the Company (to present)
September 2020	Full-time Corporate Auditor, AIQ Inc. (to present)

Note: There are no business relationships or special interests between Mr. Tamaki Shibayama and the Company. The Company has notified the Tokyo Stock Exchange of Mr. Tamaki Shibayama as an independent officer pursuant to the regulations of the Exchange.

Name: Osamu Sudoh

Brief personal record:

Date of Birth: January 24, 1952

April 1980	Registered as attorney at law, joined Tokyo Yaesu Law Offices
April 1983	Partner, Tokyo Yaesu Law Offices
April 1993	Established and became Partner, Asahi Law Offices through merger of Tokyo Yaesu Law Offices and Masuda and Ejiri Law Office
June 1999	Established and became Partner, Sudoh & Takai Law Offices
September 2005	Outside Corporate Auditor, Bandai Namco Holdings Inc.
June 2011	Outside Corporate Auditor, MITSUI-SOKO Co., Ltd. (currently MITSUI-SOKO HOLDINGS Co., Ltd.)
May 2016	Established and became Partner, SUDOH & PARTNERS (to present)
June 2016	Outside Audit & Supervisory Board Member, PRONEXUS INC. (to present)
June 2016	Outside Audit and Supervisory Committee Member, Keikyu Corporation
June 2022	Outside Corporate Auditor, Bandai Namco Amusement Inc.
February 2025	Outside Corporate Auditor, Bandai Namco Experience Inc. (to present)
June 2025	Outside Director, Japan Airport Terminal Co., Ltd. (to present)
June 2025	Outside Director (Audit and Supervisory Committee Member), Keikyu Corporation (to present)

Note: There are no business relationships or special interests between Mr. Osamu Sudoh and the Company.