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Securities Code: 6165

June 3, 2026

**To our shareholders:**

Tetsuji Morikubo  
Representative Director  
**PUNCH INDUSTRY CO., LTD.**  
6-22-7 Minami-oi, Shinagawa-ku, Tokyo

## **Notice of the 52nd Annual General Meeting of Shareholders**

We are pleased to announce the 52nd Annual General Meeting of Shareholders of PUNCH INDUSTRY CO., LTD. (the “Company”), which will be held as described below.

**When the Company convenes the General Meeting of Shareholders, it takes measures of the electronic provision of information (Measures for Providing Information in Electronic Format) that constitutes the content of reference documents for the General Meeting of Shareholders and this information is posted on the Company’s website, etc. as “Notice of the 52nd Annual General Meeting of Shareholders.” To review this information, please access these materials on the following website.**

The Company’s website:

<https://www.punch.co.jp/ir/stock/meeting.html> (in Japanese)

Website for posted information materials for the General Meeting of Shareholders:

<https://d.sokai.jp/6165/teiji/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “PUNCH INDUSTRY” in “Issue name (company name)” or the Company’s securities code “6165” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

**If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. (JST) on Monday, June 22, 2026.**

1. **Date and Time** Tuesday, June 23, 2026 at 10:00 a.m. (JST) (Reception desk will open at 9:00 a.m.)
2. **Venue** A+B Meeting Room, Single Building 3F, Ours Inn Hankyu  
1-50-5 Oi, Shinagawa-ku, Tokyo

**3. Purpose of the Meeting**

**Matters to be reported**

1. **Business Report and Consolidated Financial Statements for the 52nd fiscal year (from April 1, 2025 to March 31, 2026), and audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee**
2. **Non-consolidated Financial Statements for the 52nd fiscal year (from April 1, 2025 to March 31, 2026)**

**Matters to be resolved**

- |                       |                                                                                                                                                                    |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Proposal No. 1</b> | <b>Appropriation of Surplus</b>                                                                                                                                    |
| <b>Proposal No. 2</b> | <b>Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)</b>                                                            |
| <b>Proposal No. 3</b> | <b>Partial Revision and Continuation of the Countermeasures Against Large-scale Purchase of Share Certificates, Etc. of the Company (Takeover Response Policy)</b> |

**4. Matters for decision**

- (1) **When voting rights are exercised in writing, if neither Approve nor Disapprove is marked for a proposal on the voting form, it will be handled as if Approve had been marked.**
- (2) **If a voting right has been exercised multiple times via the Internet, the final exercise of the voting right will be handled as the valid one.**
- (3) **If a voting right is exercised redundantly via the Internet and in writing, it will be handled as if the voting right exercised via the Internet is the valid one.**
- (4) **If a voting right is exercised via proxy, one person acting as proxy who holds voting rights and is also a shareholder of the Company shall be present at the General Meeting of Shareholders. However, the proxy must provide documents that offer proof of their proxy rights.**

- When you attend the meeting in person, you are kindly requested to present the enclosed voting form at the reception desk.
- If revisions to the matters subject to the Measures, etc. for Providing Information in Electronic Format arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the aforementioned websites.
- Paper-based documents stating the Measures for Providing Information in Electronic Format are sent to shareholders who have requested the delivery of paper-based documents; however, in accordance with the provisions of laws and regulations and the Company's Articles of Incorporation, those documents do not include the following matters.
  - (i) In the Business Report, "Status of Share Acquisition Rights," "System to Ensure the Appropriateness of Operations and Its Operational Status," "Basic Policy Regarding Control of the Company," and "Policy Regarding Determination of Dividends of Surplus, etc."
  - (ii) In the Consolidated Financial Statements, "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements"
  - (iii) In the Non-consolidated Financial Statements, "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements"

Accordingly, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements stated in these paper-based documents are part of the documents audited by the Audit and Supervisory Committee for the audit report and the Accounting Auditor for the accounting audit report.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Appropriation of Surplus

The Company considers return of profit to its shareholders as one of its management priorities. With respect to profit distribution, its basic policy is to pay stable dividends constantly and to emphasize linkage to consolidated business results while securing the internal reserves necessary for future business development and enhancement of the management structure. The Company has set goals of a 30% consolidated payout ratio and 3% dividends on shareholder equity (DOE), and it intends to make appropriate profit distributions from a comprehensive viewpoint based on these goals and on its financial position, the demand for funds, and other considerations.

In accordance with this policy, the annual dividend for the current fiscal year shall be as follows.

Since the Company paid an interim dividend of ¥9.13 per share, the annual dividend for the current fiscal year will be ¥19.56 per share.

- 1 Type of dividend property  
Cash
- 2 Allotment of dividend property and total amount thereof  
¥10.43 per common share of the Company  
Total dividends ¥287,201,722
- 3 Effective date of dividends of surplus  
June 24, 2026

**Proposal No. 2 Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)**

At the conclusion of this General Meeting of Shareholders, the terms of office of all four Directors will expire (excluding Directors who are Audit and Supervisory Committee members. The same applies for the proposal below). Therefore, in order to strengthen the management system, the Company proposes to increase the number of internal Directors by one and proposes the election of five Directors.

Each candidate for Director has been selected by the Board of Directors after deliberation at the Nomination & Remuneration Committee, a majority of which are independent Outside Directors.

Upon reviewing the deliberations of the Nomination & Remuneration Committee and the policies for nominating candidates for Director, the Company's Audit and Supervisory Committee has determined that there are no special matters with regard to this proposal to be stated at the General Meeting of Shareholders as required by the provisions of the Companies Act.

The candidates for Director are as follows.

Candidate No.	Name	Gender Age	Current position in the Company	Attribute	Attendance at Board of Directors meetings
1	Tetsuji Morikubo	Male 49	Representative Director President, Chief Executive Officer	Reelection	15/15 (100%)
2	Akira Takanashi	Male 57	Director Senior Executive Officer, Chief Operating Officer	Reelection	15/15 (100%)
3	Yasushi Matsuzawa	Male 59	Senior Executive Officer, Chief Financial Officer	New election	—/—
4	Naruhiko Takatsuji	Male 48	Outside Director	Reelection Outside Independent	15/15 (100%)
5	Mariko Ohsato	Female 63	Outside Director, Chairperson of the Board of Directors	Reelection Outside Independent	15/15 (100%)

Reelection Candidate for Director to be reelected

New election: Candidate for Director to be newly elected

Outside: Candidate for outside Director

Independent: Candidate for independent officer

Note: Age is that at the time of the General Meeting of Shareholders.

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
1	<p><b>Tetsuji Morikubo</b> (January 12, 1977)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings in FY2025 15/15</p> <p>Tenure as Director 8 years</p>	<p>May 2003      Joined the Company</p> <p>Feb. 2005      Seconded to PUNCH INDUSTRY (DALIAN) CO., LTD.</p> <p>Nov. 2012      General Manager of Value Creation Office of the Company</p> <p>Apr. 2013      General Manager of Corporate Planning Office</p> <p>Apr. 2015      Seconded to PUNCH INDUSTRY MALAYSIA SDN. BHD.</p> <p>Dec. 2015      Managing Director of PUNCH INDUSTRY MALAYSIA SDN. BHD.</p> <p>Apr. 2016      Executive Officer of the Company</p> <p>June 2018      Director and Senior Executive Officer in Charge of Corporate Strategy</p> <p>Apr. 2019      Chief Strategy Officer in Charge of Group Business Management</p> <p>June 2019      Representative Director (incumbent) and Vice President</p> <p>Nov. 2019      President and Chief Executive Officer in Charge of the Punch Industry Group (incumbent)</p> <p><b>[Significant concurrent positions outside the Company]</b> There are no significant concurrent positions assumed.</p> <p><b>[Relationship of special interest in the Company]</b> There is no special interest between Tetsuji Morikubo and the Company.</p>	673,600
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Since taking the office of Director of the Company in June 2018, Mr. Morikubo has been overseeing the entire business of the Punch Industry Group, with a focus on management and business development strategies. Furthermore, since becoming President and Chief Executive Officer in November 2019, he has worked hard for the growth of the Group and to improve corporate value as a top executive of the Punch Industry Group by utilizing his business experience at the Company and the Punch Industry Group in China and Southeast Asia. Accordingly, the Company requests that he be reelected as Director to oversee the Group's management, realize the long-term vision "Vision60," and direct the further growth of the Group while enhancing its corporate value based on the mid-term business plan "VC28."</p>			

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
2	<p><b>Akira Takanashi</b> (May 14, 1969)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings in FY2025 15/15</p> <p>Tenure as Director 8 years</p>	<p>Aug. 1989      Joined the Company</p> <p>Apr. 2008      Seconded to PUNCH INDUSTRY (DALIAN) CO., LTD.</p> <p>July 2013      General Manager of PUNCH INDUSTRY (DALIAN) CO., LTD.</p> <p>June 2015      Executive Officer of the Company and Chairman of PUNCH INDUSTRY (DALIAN) CO., LTD.</p> <p>June 2017      Senior Executive Officer of the Company (incumbent)</p> <p>Apr. 2018      General Manager of Manufacturing Headquarters and General Manager of Marketing &amp; Sales Headquarters</p> <p>June 2018      Director (incumbent) in Charge of Domestic Businesses</p> <p>Apr. 2019      Chief Operating Officer (incumbent) in Charge of Manufacturing and General Manager of Manufacturing Headquarters</p> <p>June 2021      In Charge of Manufacturing</p> <p>Apr. 2023      In Charge of Operations (incumbent)</p> <p><b>[Significant concurrent positions outside the Company]</b> There are no significant concurrent positions assumed.</p> <p><b>[Relationship of special interest in the Company]</b> There is no special interest between Akira Takanashi and the Company.</p>	57,815
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Since taking office of Director of the Company in June 2018, Mr. Takanashi has been a powerful force in improving the Group's manufacturing capabilities and product quality as head of manufacturing by utilizing his business experience at the Company and the Punch Industry Group in China. Furthermore, since April 2023, he has directed manufacturing and sales strategies as being in charge of operations. Accordingly, the Company requests that he be reelected as Director. He will continue to be in charge of operations, and will be the Executive Officer to integrate manufacturing and sales while realizing improvement in corporate value under the long-term vision "Vision60" and the mid-term business plan "VC28."</p>			

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
3	<p data-bbox="331 528 544 584"><b>Yasushi Matsuzawa</b> (September 20, 1966)</p> <p data-bbox="371 622 504 651">New election</p>	<p data-bbox="612 264 1238 745"> Apr. 1990      Joined Shiseido Company, Limited  Aug. 2012      General Manager of Corporate Planning Group,  Corporate Planning Department of Shiseido  Company, Limited  Jan. 2016      Department Director of Corporate Planning  Department of Shiseido Company, Limited  Jan. 2017      Seconded to Shiseido Japan Co., Ltd. as  Corporate Officer and Chief Financial Officer  (CFO)  July 2020      Corporate Officer and Vice President of  Business Administration, Premium Brands of  Shiseido Japan Co., Ltd.  Nov. 2025      Joined the Company as Senior Executive  Officer and Chief Financial Officer in Charge  of Administration (incumbent) </p> <p data-bbox="612 757 1182 786"><b>[Significant concurrent positions outside the Company]</b></p> <p data-bbox="612 790 1142 819">There are no significant concurrent positions assumed.</p> <p data-bbox="612 824 1118 853"><b>[Relationship of special interest in the Company]</b></p> <p data-bbox="612 857 1235 913">There is no special interest between Yasushi Matsuzawa and the Company.</p>	-
<p data-bbox="276 925 788 954"><b>Reasons for nomination as candidate for Director</b></p> <p data-bbox="276 958 1442 1234">Mr. Matsuzawa has held key positions at business corporations, primarily in the fields of finance and management control, and has been involved for many years overseeing administrative departments that work closely with senior management. Since joining the Company, he has served as Senior Executive Officer and Chief Financial Officer in Charge of Administration, overseeing public relations and investor relations, human resources and general affairs, and finance and accounting. He is currently working to strengthen the management framework and identify key business challenges. Accordingly, the Company requests that he be newly elected as Director. He will continue to be in charge of administration, and will be the Executive Officer to provide strong financial and administrative support to realize the long-term vision "Vision60" and improve profitability and corporate value based on the mid-term business plan "VC28."</p>			

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
4	<p style="text-align: center;"><b>Naruhiko Takatsuji</b> (October 4, 1977)</p> <p style="text-align: center;">Reelection Outside Independent</p> <p style="text-align: center;">Attendance at Board of Directors meetings in FY2025 15/15</p> <p style="text-align: center;">Tenure as Outside Director 5 years</p>	<p>Apr. 2000      Joined the Ministry of Economy, Trade and Industry</p> <p>June 2007      Joined M&amp;A Advisory Services Department of Sumitomo Mitsui Banking Corporation</p> <p>July 2009      Analyst at Toward the Infinite World, Inc.</p> <p>June 2011      In Charge of Public Relations and IR of General Administration Department of Nabtesco Corporation</p> <p>Jan. 2013      Senior Analyst at Analysis Team of Uzabase, Inc.</p> <p>May 2014      Senior Analyst at Ichiyoshi Securities Co., Ltd. (Seconded to ICHIYOSHI RESEARCH INSTITUTE INC.)</p> <p>July 2020      Senior Economist and Senior Analyst at Information Distribution Section of FISCO Ltd.</p> <p>Apr. 2021      Part-time Lecturer at Graduate School of Law, Aoyama Gakuin University</p> <p>Apr. 2021      Visiting Researcher at Tama University Center for Social Investment</p> <p>June 2021      Outside Director of the Company (incumbent)</p> <p>June 2021      Outside Director (Audit and Supervisory Committee Member) of YAMASHIN-FILTER CORP. (retired in June 2025)</p> <p>Jan. 2022      Visiting Professor at Professional University of Information and Management for Innovation</p> <p>Feb. 2022      Founded Japan Governance &amp; Valuation Institute</p> <p>Apr. 2022      Director and Economic Analyst (incumbent)</p> <p>Apr. 2022      Part-time Lecturer at Faculty of Liberal Arts and Sciences, Tokyo City University</p> <p>June 2022      Chairperson of the Board of Directors of the Company</p> <p>June 2022      Outside Director of NITTOKU CO., LTD.</p> <p>Apr. 2024      Associate Professor at Faculty of Business Administration, Mejiro University (incumbent)</p> <p>Apr. 2025      Associate Professor at Graduate School of Business Administration, Mejiro University (concurrent position) (incumbent)</p> <p><b>[Significant concurrent positions outside the Company]</b> Associate Professor at Faculty of Business Administration, Mejiro University Associate Professor at Graduate School of Business Administration, Mejiro University (concurrent position) Director and Economic Analyst at Japan Governance &amp; Valuation Institute</p> <p><b>[Relationship of special interest in the Company]</b> There is no special interest between Naruhiko Takatsuji and the Company.</p>	
<p><b>Reasons for nominating as candidate for Outside Director, expected roles and judging him capable of appropriately fulfilling duties</b></p> <p>Mr. Takatsuji brings to the Company his knowledge and insight as an expert in corporate finance, economic and corporate analysis, the machinery industry, and investor relations, and also capitalizes on his experience as an outside director at another company. He has provided helpful advice on the Company's management strategy from an independent and objective standpoint. As the chairperson of the Nomination &amp; Remuneration Committee, he has expressed objective and clear views on the selection and remuneration of candidates for the Company's officers. As such, the Company requests that he be reelected as Outside Director so the Group can continue to receive advice from him that will contribute to its growth and the improvement of corporate value.</p> <p>Although he has never been involved in the management of a company other than as an Outside Director, for the reasons stated above, we are confident that he will continue to appropriately perform his duties in that position.</p>			

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
5	<p><b>Mariko Ohsato</b> (April 22, 1963)</p> <p>Reelection Outside Independent</p> <p>Attendance at Board of Directors meetings in FY2025 15/15</p> <p>Tenure as Outside Director 4 years</p>	<p>Apr. 1986      Joined IBM Japan Ltd.</p> <p>June 1992      Earned Master of Business Administration (MBA) from Kellogg School of Management, Northwestern University</p> <p>Sep. 1992      Joined Uniden Corporation (currently Uniden Holdings Corporation)</p> <p>June 1997      Director of IDS Corporation</p> <p>July 2005      Established Arc Communications Inc., Representative Director (incumbent)</p> <p>June 2016      Director of Public Relations Society of Japan</p> <p>Apr. 2018      Part-time Lecturer at Department of Sport Sciences, Waseda University</p> <p>Apr. 2019      Vice President of Japan Orienteering Association</p> <p>Sep. 2020      Outside Director of Uniden Holdings Corporation</p> <p>Nov. 2021      Outside Director (Audit and Supervisory Committee Member) of Uniden Holdings Corporation</p> <p>June 2022      Outside Director of the Company (incumbent)</p> <p>June 2022      Director of Japan Rowing Association (incumbent)</p> <p>June 2023      Outside Director of Nihon M&amp;A Center Holdings Inc. (retired in June 2025)</p> <p>June 2023      Director of Baseball Federation of Japan (incumbent)</p> <p>June 2024      Chairperson of the Board of Directors of the Company (incumbent)</p> <p><b>[Significant concurrent positions outside the Company]</b> Representative Director of Arc Communications Inc.</p> <p><b>[Relationship of special interest in the Company]</b> There is no special interest between Mariko Ohsato and the Company.</p>	–
<p><b>Reasons for nomination as candidate for Outside Director and expected roles</b></p> <p>With a proven track record as a corporate manager of business corporations, Ms. Ohsato has extensive experience and knowledge, including as an Outside Director of listed companies and a board member of various organizations. She capitalizes on this background to contribute to the Company's decision-making on important management matters while also helping to monitor the execution of business. Furthermore, as a member of the Nomination &amp; Remuneration Committee, she has provided objective and clear opinions on the selection of candidates for the Company's officers and the appropriateness of their remuneration. In addition, since June 2024, she has contributed to the invigoration and greater efficiency of the Board of Directors proceedings in her role as Chairperson. The Company also looks forward to her active participation in initiatives to increase management diversity, including efforts to promote women's empowerment within the organization. Accordingly, the Company requests that she be reelected as Outside Director.</p>			

- Notes:
1. Mr. Naruhiko Takatsuji and Ms. Mariko Ohsato are candidates for Outside Director.
  2. Mr. Takatsuji and Ms. Ohsato satisfy the "Independence Criteria for Outside Directors" stipulated by the Company.
  3. The Company has entered into agreements with Mr. Takatsuji and Ms. Ohsato to limit their liabilities for damages under Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the Act. The limit of liability for damages under the agreements is the minimum liability amount stipulated under Article 425, paragraph (1) of the Act. If they are reelected as Director, the Company plans to continue the agreements with them.
  4. The Company has entered into a Directors and Officers liability insurance contract with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act, under which the directors, audit & supervisory board members, executive officers, and employees in management and supervisory roles of the Company and its subsidiaries are the insureds. If elected to the Board of Directors, each candidate will be insured under the policy. The said insurance contract is intended to cover damages, litigation expenses, etc. to be borne by the insured, including Directors and Audit and Supervisory Board Members of the Company, upon a claim for damages filed by a shareholder, third party, etc. Certain exclusions apply, however, and damages such as those caused by willful misconduct or gross negligence may not be

covered. In addition, the full insurance premium will be paid by the Company. The said insurance contract is planned to be renewed with the same terms and conditions upon the next renewal.

5. The Company has submitted notifications to the Tokyo Stock Exchange for Mr. Takatsuji and Ms. Ohsato as independent officers as provided for by the aforementioned exchange. If they are elected as Director, the Company intends to continue to designate them as independent officers.

<Reference>

**Skill matrix of the Board of Directors if Proposal No. 2 is approved as proposed**

Category	Name	Attribute, etc.		Experience and knowledge beneficial for management and business operations				Experience and knowledge for the foundation of management		
		Independent Outside	Nomination & Remuneration Committee	Corporate management/ Business strategy	Global	Manufacturing/ Technology/ Quality	Sales/ Marketing	Financial accounting	Legal/ Compliance/ Risk management	Personnel/ Labor/ Human resources development
Directors	Tetsuji Morikubo		○	◎	●	●				
	Akira Takanashi			◎	●	●				
	Yasushi Matsuzawa			●				●		●
	Naruhiko Takatsuji	○	○	●				●	●	
	Mariko Ohsato	○	○	◎	●					●
Directors who are Audit and Supervisory Committee Members	Minoru Kawano				●			●	●	
	Tomoo Suzuki	○		●	●			●		
	Chie Tabata	○							●	●

The Company is adopting an executive officer system. The skills of executive officers who do not serve concurrently as directors are as follows.

Executive officers	Tomoki Katamura	—	—		●			●		
	Makoto Kume	—	—	◎	●		●			
	Fumio Tsuruma	—	—	●				●	●	
	Hidekazu Okada	—	—		●	●				
	Hidekazu Hirokawa	—	—	●	●		●			
	Tomokazu Suzuki	—	—	●	●		●			
	Yasuhiko Tanaka	—	—						●	●
	Hidekazu Sato	—	—			●				

- ◎ indicates experience in the top position in company management (including at subsidiaries).
- indicates that the Company judges the candidate has the required skills for a Director or Executive Officer.

**Skill set and reason for inclusion**

In order to advance efforts aimed at priority management initiatives and to promote the strengthening of the management foundation, the Company believes it is necessary for the Board of Directors and the management team to have not only experience and knowledge beneficial for management and business operations but also experience and knowledge related to the management foundation. Toward this end, we have selected the skills shown below.

Skill set	Reason for inclusion
Corporate management/ Business strategy	Necessary for important corporate decision-making, managerial judgment, and formulation of strategy for sustainable growth of the company and enhancement of corporate value over the medium to long term
Global	Necessary for further acceleration of future global expansion
Manufacturing/Technology/ Quality	Necessary to enhance sources of added value, namely manufacturing expertise, technical skills and quality and to promote development of new technology and improve capital efficiency by improving productivity
Sales/Marketing	Necessary for achieving sales and further growth through development of new products and markets
Financial accounting	Necessary to ensure management soundness, promote strategic investments for growth and realize appropriate shareholder returns
Legal/Compliance/ Risk management	Necessary to ensure management fairness and transparency, and to appropriately respond to various risks apt to occur in corporate activities

Personnel/Labor/ Human resources development	Necessary for the development of human resources capable of achieving management strategies by formulating and operating fair and appropriate personnel systems and fostering environments that maximize individual abilities
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### **Policy and Procedure in Nominating Candidates for Director**

Candidates are proposed by the Representative Director provided that the following requirements are met, and determined by the Board of Directors after deliberation on their eligibility at the Nomination & Remuneration Committee, a majority of which are independent Outside Directors.

#### Requirements for Directors

- (i) The person has personality and insight that is appropriate for a director of a listed company
- (ii) The person has no health issues, both physically and mentally, in performing duties as Director
- (iii) The person has excellent managerial judgment and management execution capabilities
- (iv) The person has sufficient experience and knowledge to fulfill duties as Director in relation to the operations of the Company and its Group
- (v) The person has abundant expertise/experience and is a talented individual who can contribute to sustainable growth of the Company and increase in corporate value over the medium to long term
- (vi) His/her concurrent assignments as officer at other listed companies are within reasonable limits, allowing him/her to allocate sufficient time and efforts to businesses as Director of the Company
- (vii) The person satisfies Independence Criteria for Outside Directors
- (viii) Independence from a person with responsibility to execute business
- (ix) Ability to maintain integrity and objectivity
- (x) At least one Director should preferably have reasonable knowledge on finance and accounting

Note: Among the above, (i) to (iv) are requirements for internal Directors, (i) to (iii) and (v) to (vii) are those for Outside Directors, and (viii) to (x) in addition to the above mentioned are those for Directors who are Audit and Supervisory Committee Members.

#### **Independence Criteria for Outside Directors**

If a person does not fall under any of the below items in addition to meeting the requirements for outside directors for the purpose of the Companies Act, the Company judges the relevant outside director to have independence with no risk of conflict of interest with general shareholders.

- (i) A person with the current responsibility to execute business\*1 of the Company and its affiliates (the Group hereinbelow), or who has had such responsibility in the past
- (ii) A party who has the Group as a major trading partner\*2 or a person with responsibility to execute business for such party
- (iii) A major trading partner of the Group or a person with responsibility to execute business for such trading partner
- (iv) A major shareholder\*3 of the Company or a person with responsibility to execute business for such shareholder
- (v) A person with responsibility to execute business for a company of which the Group is a major shareholder
- (vi) A person who belongs to an auditing corporation which acts as Statutory Accounting Auditor of the Company
- (vii) A lawyer, certified public accountant, tax accountant, or consultant, etc. who receives a large amount\*4 of money or other financial benefits other than officers' remuneration from the Group. Where a relevant person who receives such benefits is an entity such as a corporation or association, persons who belong to such entity are included.
- (viii) A party who receives a large amount of donations or grants from the Group, or a person with responsibility to execute business for such party
- (ix) A financial institution or its affiliated company from which the Group borrows money in excess of 2% of its consolidated total assets as at the end of the most recent fiscal year, or a person with responsibility to execute business for such companies
- (x) Where a person with responsibility to execute business for the Group concurrently assumes office of outside officer of another company, a person with responsibility to execute business for such other company or its affiliates
- (xi) A person who has fallen under (ii) to (x) in the above during the past three years
- (xii) Where a person who falls under (i) to (xi) in the above assumes an important post (an officer or employee in a General Manager post or other equivalent positions), his/her spouse and relative within the second degree of kinship

Notes:

- \*1 A person with responsibility to execute business: executive director, executive officer, officer in charge of the execution of the operations of other entities, etc., and staff member/employee who executes business
- \*2 Major trading partner: A trading partner where the amount of business with such partner exceeds 2% of its consolidated sales during the most recent financial year
- \*3 Major shareholder: A shareholder who possesses 10% or more of voting rights, including direct and indirect ownership
- \*4 A large amount: More than ¥10 million a year in the case of an individual, and more than an amount equivalent to 2% of its annual total revenue in the case of an entity such as a corporation or association

### **Proposal No. 3      Partial Revision and Continuation of the Countermeasures Against Large-scale Purchase of Share Certificates, Etc. of the Company (Takeover Response Policy)**

At the Company's Board of Directors meeting held on May 13, 2023, the Company resolved to adopt Countermeasures Against Large Acquisition of Shares in the Company (anti-takeover measures) (hereinafter referred to as the "Current Plan"), and the shareholders approved these measures at the Company's 49th Annual General Meeting of Shareholders held on June 22 of the same year. This Current Plan expires at the close of this General Meeting.

The Company has continued to explore how this adopted Current Plan should work, including whether the Company should maintain it, as one of its efforts to secure and enhance the corporate value of the Company, along with profits shared with shareholders. The Company has considered changes in social and economic conditions, various moves and developments in discussion associated with the takeover response policy, and the objectives of Japan's Corporate Governance Code, among others.

As a result, prior to the expiry of the Current Plan, at the Company's Board of Directors meeting held on May 13, 2026, the Company resolved to update the Current Plan as follows, after making some revisions (the Plan to be updated is hereinafter referred to as the "Plan"). The Plan is part of its efforts to prevent the determination of financial and business policies of the Company from being controlled by an inappropriate person (Article 118, item (iii), (b), 2 of the Regulations for Enforcement of the Companies Act) in light of the basic policies regarding way a person is to control the determination of financial and business policies of the Company (as specified in Article 118, item (iii) of the Regulations for Enforcement of the Companies Act; hereinafter referred to as the "Basic Policies").

The Plan took effect on May 13, 2026. However, in order to better reflect the will of its shareholders, the Company presents this proposal to request its shareholders' approval for the Plan. If the Plan is not approved by shareholders at this Annual General Meeting of Shareholders, it shall expire at the conclusion of the meeting.

The main revisions made to the Plan are as follows.

- (i) The descriptions have been partially revised, including a change in the criterion for what constitutes a "Large-scale Purchase" (as defined in II.2.(1)(a) below; the same shall apply hereinafter) covered by the Plan from 20% to 15%.
- (ii) The descriptions of the "Letter of Intent" (as defined in II. 2. (1) (b) below) and the "Necessary Information" (as defined in II. 2. (1) (c) below) to be submitted or provided by the Offeror (as defined in II. 2. (1) (a) below; the same shall apply hereinafter), have been partially revised.
- (iii) The descriptions of the "Board of Directors Review Period" (as defined in II. 2. (1) (d) below; the same shall apply hereinafter) have been partially revised.
- (iv) The descriptions of "Reason 2 for Invoking the Plan" (as defined in II. 2. (2) below; the same shall apply hereinafter) have been partially revised.
- (v) Other revisions have been made to the wording, etc., including clarifications of the intent.

#### **I Reasons for the Proposal**

##### **1. Descriptions of the Basic Policies**

The Company believes that those who control decisions on the Company's financial and business policies need to be the persons or entities who fully understand the Company's finances and businesses in detail, along with the source of the Company's corporate value, and make it possible for the Company to continuously and sustainably ensure and enhance its corporate value and, in turn, the common interests of its shareholders.

As a corporation listed on a financial instruments exchange, the Company respects the free trading of its share certificates, etc. in the market, and the Company will not generally reject any Large-scale Purchase of its share certificates, etc. by a specific party to the extent that said purchase contributes to ensuring and enhancing the corporate value of the Company and eventually the common interests of its shareholders. Moreover, the Company believes that any decision regarding a proposed acquisition involving a transfer of control of the Company should ultimately be made according to the will of all shareholders of the Company. However, there are not a few cases in which Large-scale Purchase of share certificates, etc. may cause obvious harm to corporate value and the common interests of shareholders in terms of the purpose of the purchase, may effectively force shareholders to sell their share certificates, etc., may not provide sufficient time and information for the target company's board of directors and shareholders to consider the details,

etc., of the Large-scale Purchase of share certificates, etc. or for the target company's board of directors to make an alternative proposal, or may require the target company to have discussions or negotiations with the Offeror in order to bring about more favorable terms than those offered by the Offeror, that may not contribute to the target company's corporate value and the common interests of its shareholders.

Unless a person or entity making a Large-scale Purchase of share certificates, etc. of the Company understands the source of the Company's corporate value and is able to secure and enhance the source over the medium to long term, the Company's corporate value and the common interests of its shareholders will be damaged.

The Company believes that a person or entity who conducts such Large-scale Purchase that does not contribute to the corporate value of the Company and the common interests of its shareholders is inappropriate as a person or entity who controls decisions on the Company's financial and business policies, and that it is necessary to ensure the corporate value of the Company and the common interests of its shareholders by taking necessary and reasonable countermeasures against such Large-scale Purchase by the person or entity.

## 2. Summary of the Special Initiatives that Contribute to the Implementation of the Basic Policies

### (i) Long-term Vision "Vision60"

Building on the Punch Spirit, which embodies the founding principles of "Challenge," "Imaginative & Innovative," and "Open & Honest," and its Purpose of "Shaping a prosperous future for the next generation with trust through manufacturing, sincerity in technology, and free creative power," the Group has formulated Vision60, a long-term vision looking ahead to the next decade, to mark its 50th anniversary.

In light of the medium- to long-term changes in the Company's business environment, including the rapid advancement of digitalization, the evolution of AI, a shrinking workforce, shifts in global production structures, and growing demands to address environmental and social issues, Vision60 sets forth the goal of "breaking away from dependence on mold and die components."

This does not imply a downsizing of its mold and die components business. Rather, while continuing to rely on this business as its core foundation, the Company aims to achieve more stable and sustainable growth by fostering areas outside of mold and die components, such as factory automation (FA) business and new business, and diversifying its business portfolio.

With Vision60 as its guiding principle, the Group will sequentially implement three medium-term management plans over the next 10 years to continuously enhance its corporate value.

While the Company has expanded its global operations with its precision mold and die components business at the core and built a stable business foundation, the Company strongly recognizes the need to evolve its business structure itself to achieve sustainable growth in corporate value, based on the understanding that there is still room for improvement in terms of capital efficiency and profitability. With this understanding of the challenges the Company faces, the Company announced its medium-term management plan Value Creation 28 (hereinafter referred to as "VC28"), on May 13, 2026. Under VC28, the Company aims to enhance corporate value with a target PBR of 1.0x by balancing improvements in profitability and capital efficiency with sustainable growth investments through measures based on the following basic policies. For the final fiscal year of VC28 (fiscal year ending March 31, 2029), the Company has set the following management targets: consolidated net sales of 50.0 billion yen, operating profit of 3.4 billion yen, operating profit margin of 6.8%, ROE of 8.0% or higher, and ROIC of 10.0%.

- Strengthening stable cash generation capability by specializing in special order products and improving productivity in the existing business (mold and die components business)
- Establishing a second source of profitability by developing and expanding the FA business in response to growing demand for automation and labor-saving solutions
- Creating medium- to long-term growth opportunities through R&D and new business initiatives
- Improving operational efficiency and reforming the fixed-cost structure through the promotion of digital transformation (DX)
- Thoroughly implementing management practices that prioritize capital efficiency, with ROIC as the core metric

Based on that, the ideal state that the Group aims to achieve by 2034 under Vision60 is one in which it has embodied its Purpose and Punch Spirit through its actions, evolving into a corporate group that has advanced in every aspect of its business structure, organization, and management foundation.

Specifically, in the mold and die components business, the Company aims to maintain and enhance stable profitability, with a focus on high-value-added special order products, by maximizing the benefits of capital and business alliance and further strengthening collaboration between sales and manufacturing. Meanwhile, in the FA business and new business, the Company will actively leverage M&A and R&D, applying the technical expertise, production capabilities, and customer base cultivated in the mold and die components business to establish new growth engines.

Furthermore, the Group's growth strategy based on Vision60 will be implemented with a two-pronged approach focused on "addressing key management issues" and "strengthening its management foundations."

Key management issues include responding to the rapid pace of technological innovation, addressing the shrinking workforce and slowing growth in the domestic market, and adapting to the changing global situation and growing environmental awareness. To address these issues, the Group will strengthen R&D beyond the scope of its existing businesses, meet the demand for automation and labor-saving solutions by expanding the FA business, develop new industries and regions, and expand business areas through M&A, partnerships with startups, and other means.

In strengthening its management foundations, the Company places a high priority on improving profitability based on its mold and die components business, optimizing global production and sales structure, promoting human capital management, including talent development and the transfer of skills, and enhancing its sustainability and governance structures. In particular, the Company views the development of talent who embodies the Punch Spirit and the fostering of an organizational culture that encourages taking on challenges as an essential management foundation for achieving Vision60.

By steadily implementing this series of initiatives based on the medium-term management plan, the Group aims to achieve sustainable corporate value creation that is resilient to changes in the business environment, and thereby secure and enhance the common interests of its shareholders.

(ii) Efforts to establish stronger corporate governance

To ensure compliance with laws and regulations to fulfill its social responsibility in good faith, as well as to ensure greater health and transparency of management, protect the interests of shareholders, customers, and all other stakeholders, achieve its sustainable growth, and increase its medium- to long-term corporate value, the Group has established the following as its basic policies on corporate governance: (i) securing shareholders' rights and equality; (ii) appropriately cooperating with all the stakeholders including shareholders; (iii) ensuring transparency by appropriate information disclosure; (iv) supervising business execution by the Board of Directors; and (v) engaging in constructive dialogue with shareholders.

Based on that, the Company believes that establishing corporate governance is key to putting the above basic policies into practice. Its efforts to improve its corporate governance include the establishment of the Nomination & Remuneration Committee, evaluation of the effectiveness of the Board of Directors, improvements in the Executive Officer system, change of the Chairperson of the Board of Directors to an Outside Director, and reorganization of the executive compensation system by adopting restricted stock compensation plan, among other measures. To further strengthen the supervisory function for the Board of Directors, the Company has transitioned to a company with audit and supervisory committee from a company with board of company auditors in accordance with the resolution of the 47th Annual General Meeting of Shareholders held on June 23, 2021.

In addition to these measures, in light of changes in the business environment and the demands of the capital markets, the Company regularly conducts periodic reviews and revisions of matters such as the composition and operations of the Board of Directors and the procedures for appointing and dismissing officers, and are continuously working to enhance the effectiveness of its corporate governance structure.

(iii) Policy on constructive dialogue with shareholders

With the aim of further strengthening constructive dialogue with its shareholders and investors, the Company engages in open and fair dialogue with them. To facilitate this constructive dialogue, the Company has established a dedicated IR department. The Company also holds financial briefings and company information sessions, and is continuously working to further enhance communication by actively participating in IR events and conducting one-on-one and small group meetings with investors both in Japan and overseas. Going forward, the Company will continue to improve the quality of dialogue with its shareholders and investors through these initiatives and maintain a constructive dialogue.

### 3. Purpose of the Plan

The Company believes that, depending on the circumstances, it may become necessary to take certain measures against the Offeror. At the same time, as a listed company, the Company also believes that the final decision regarding whether to sell shares to the Offeror, or whether to entrust the management of the company to the Offeror, should, in principle, be left to the discretion of each individual shareholder. However, as specified in the Basic Policies, the Board of Directors of the Company believes that a person or entity who conducts a Large-scale Purchase of share certificates, etc. of the Company that does not contribute to the corporate value of the Company and eventually the common interests of its shareholders is inappropriate as a person or entity who controls decisions on the Company's financial and business policies. To prevent this type of inappropriate person or entity from controlling decisions on the Company's financial and business policies, and to deter the person or entity from conducting a Large-scale Purchase of share certificates, etc. of the Company that works against the corporate value of the Company and the common interests of its shareholders, the Company stipulates the rules to be respected by any person or entity that intends to conduct a Large-scale Purchase of share certificates, etc. of the Company when such Large-scale Purchase is conducted. The Plan also aims to issue a warning to any person or entity who intends to conduct Large-scale Purchase that would not contribute to ensuring and enhancing the corporate value of the Company and eventually the common interests of its shareholders by showing that such person or entity might incur damage from the Company's countermeasures, which may be implemented with the disclosure of the details of such countermeasures in certain cases.

In deciding to continue its takeover response policy under the Plan, the Company has taken into account discussions associated with the takeover response policy, including the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" published on May 27, 2005, by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry; the "Takeover Defense Measures in Light of Recent Environmental Changes" published by the same study group on June 30, 2008; 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; and the "Principle 1.5 Anti-Takeover Measures" of the "Corporate Governance Code," which was introduced by the Tokyo Stock Exchange on June 1, 2015, and revised on June 1, 2018, and June 11, 2021, respectively, and after comprehensively evaluating factors such as transparency and the impact on the secondary market, concluded that continuing its takeovers response policy under the Plan is the best course of action.

The status of the Company's shareholders as of March 31, 2026, is as stated in Appendix 4: Major Shareholders of the Company. Mr. Yuji Morikubo, Mr. Tetsuji Morikubo, their relatives acting as joint holders, and MT Kosan Co., Ltd. (hereinafter collectively referred to as "Founding Family Members") are joint holders, and as of March 31, 2026, their combined shareholding ratio (Note 1.) is 19.19%. Founding Family Members have established friendly relations with the Company as stable shareholders and, at this time, are not subject to the Plan. Although Mr. Tetsuji Morikubo serves as the Company's Representative Director, President, and Chief Executive Officer, there are no other Founding Family Members serving as officers or employees on the Company's Board of Directors besides Mr. Tetsuji Morikubo. Therefore, the Company's management is not controlled by Founding Family Members. In addition, Founding Family Members make decisions regarding the disposal of the Company's shares, etc. and the exercise of voting rights based on judgments independent of the Company, and there is no agreement or other arrangement between the Company and Founding Family Members regarding their continued holding of the Company's shares, etc. Consequently, given that transfers, inheritances, or other dispositions may occur due to circumstances involving Founding Family Members, it cannot be ruled out that their shareholding ratio may

decline in the future; consequently, and cannot be said with certainty that these shareholders will maintain a stable position indefinitely.

In addition, the Company's share certificates, etc. are naturally liquid, as approximately 66% of them are held by individual shareholders, foreign corporations, and other investors.

Therefore, as the shareholding ratio of Founding Family Members declines significantly and the liquidity of share certificates, etc. of the Company increases, more shareholders and investors will have the opportunity to hold share certificates, etc. of the Company. However, the Company believes it cannot be denied that there is an increased risk of Large-scale Purchase that run counter to its corporate value and eventually the common interests of its shareholders.

In addition, given that the Company's market capitalization is relatively low, if the criterion for what constitutes a Large-scale Purchase remains at 20%, there is a possibility that the acquisition of share certificates, etc. of the Company may proceed within a short period of time. In such a case, there is a risk that the Company would be unable to ensure an environment in which shareholders have sufficient information and time to make informed decisions.

In light of these changes, the Plan aims to enable an examination of the objectives, etc. of the Offeror, at an earlier stage, with a view to safeguarding the corporate value and the common interests of shareholders, while taking into account changes in social and economic conditions and various moves and developments in discussion associated with the takeover response policy.

Note 1. The shareholding ratio is calculated after deducting treasury shares (86,281 shares).

## II Details of the Proposal

### 1. Summary of the Plan

The Plan specifies the procedures necessary to fulfill the above purpose, including requesting the Offeror to provide information in advance, in the event that any person or entity intends to conduct a Large-scale Purchase of share certificates, etc. of the Company. The Plan also states that, if the procedure for the Plan begins, the Offeror must not conduct acquisition until the Board of Directors of the Company or the General Meeting of Shareholders resolves not to invoke the Plan.

If the given requirements are met to invoke the Plan because the Offeror does not follow the procedure specified in the Plan, or because intended Large-scale Purchase of share certificates, etc. of the Company is likely to damage the corporate value of the Company and eventually the common interests of its shareholders, the Company may take countermeasures (as defined in (e) under 2. (1) "Procedures for invoking the Plan" below; the same shall apply hereinafter). These measures include allotting share acquisition rights subject to the condition that, in principle, the rights may not be exercised by the Offeror and to call that allows the Company to acquire share acquisition rights from persons or entities other than the Offeror in exchange for shares in the Company. This allotment shall be done by means of allotment of share acquisition rights to all shareholders as of then (except for the Company) without contribution.

When these Share Acquisition Rights (as defined in (a) under 2. (1) "Procedures for invoking the Plan" below; the same shall apply hereinafter) are allotted without contribution according to the Plan and shares in the Company are delivered to shareholders other than the Offeror through the exercise of the rights or acquisition of the rights by the Company, the ratio of voting rights the Offeror has over the Company may be diluted.

To exclude any arbitrary decision by Directors on whether to allot these Share Acquisition Rights without contribution or on the acquisition of the rights according to the Plan, an objective decision made by the Independent Committee (hereinafter referred to as the "Independent Committee"), which consists of at least three Outside Directors of the Company and/or outside experts who are independent from the management team of the Company, shall precede a decision of the Board of Directors of the Company.

In addition to this, the Board of Directors of the Company may call a general meeting of shareholders to confirm the will of shareholders should a case prescribed in the Plan arise.

The Company shall ensure the transparency of how this procedure is followed by disclosing information to shareholders.

### 2. Descriptions of the Plan

- (1) Procedures for invoking the Plan (please refer to Appendix 1: Flowchart of the Countermeasures Against Large-scale Purchase of Share Certificates, Etc. of the Company)

(a) Purchase subject to the Plan

The Plan shall apply when an action that corresponds to or is similar to either (i) or (ii) below is taken (including a proposal for either of these actions (Note 2.)) (except for any action to which the Board of Directors of the Company has separately resolved not to apply the Plan; hereinafter referred to as a “Large-scale Purchase.”).

- (i) A purchase or any other acquisition intended to raise the ownership ratio (Note 5) of share certificates, etc. (Note 3) issued by the Company that the holder (Note 4.) has to 15% or more (Note 6).
- (ii) A tender offer (Note 8) that would lead the sum of the ownership ratios (Note 9) of share certificates, etc. (Note 7) issued by the Company that are held by the tender offeror and by the offeror’s specially related party (Note 10) to be 15% or more.
- (iii) Regardless of whether any of the acts specified in (i) or (ii) above have been taken, any agreement or other act entered into by a specific shareholder of the Company with other shareholder of the Company (including multiple shareholders; the same shall apply hereinafter in this item (iii)), and which results in such other shareholder becoming a joint holder of said specific shareholder, or any act (Note 12) that establishes a relationship between said specific shareholder and said other shareholder wherein one party substantially controls the other or they act jointly or in concert (Note 11) (provided, however, that this applies only in cases where the combined ownership ratios of said specific shareholder and said other shareholder in share certificates, etc. issued by the Company are 15% or more.)

Under the Plan, the Company has decided to adopt a threshold of 15% as the criterion for what constitutes a Large-scale Purchase. This decision was reached after comprehensively considering the following factors: (i) in corporate accounting, a threshold of 15% is used as one criterion for determining whether the equity method should be applied; (ii) the figure exceeding one-sixth (approximately 16.7%) of voting rights holds significant importance under the Companies Act as a threshold that can prevent the waiver of approval at a general meeting of shareholders for simplified mergers and similar transactions (see Article 796, paragraph (3) of the Companies Act and Article 197, item (i) of the Regulations for Enforcement of the Companies Act); (iii) it is considered that the potential risk of a large-scale, short-term buyout of the Company’s share certificates, etc., both on and off the market, is not necessarily low; (iv) given that the Company’s market capitalization is relatively low, if the criterion for what constitutes a Large-scale Purchase remains at 20%, there is a possibility that the acquisition of share certificates, etc. of the Company may proceed within a short period of time, raising the risk that the Company would be unable to ensure an environment in which shareholders have sufficient information and time to make informed decisions; and (v) there are numerous cases in the U.S. where the Rights Plan sets the threshold for invoking countermeasures at 15% or lower, and there are also cases in Japan where 15% is used as the threshold.

Any person or entity who offers to make a Large-scale Purchase (hereinafter referred to as an “Offeror”) shall prepare to follow the procedure specified in the Plan and must not carry out the Large-scale Purchase until the Board of Directors of the Company resolves not to allot share acquisition rights (the major details of the rights are described in (3) “Summary of allotment of the Share Acquisition Rights without contribution” below; hereinafter referred to as the “Share Acquisition Rights”) without contribution or invoke any other countermeasures, or a General Meeting of Shareholders of the Company rejects the proposal to allot the Share Acquisition Rights without contribution or invoke any other countermeasures, in accordance with the Plan.

Note 2. “Proposals” include solicitation from a third party.

Note 3. Defined in Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act. The same shall apply hereafter in this proposal unless otherwise specified. If any amendment is made to the laws and regulations referenced in the Plan (including changes to the names of laws and regulations or the enactment of new laws and regulations that succeed previous ones), the provisions of such laws and regulations shall be deemed to be replaced

by the provisions of laws and regulations that substantially succeed them following such amendment, unless otherwise determined by the Company's Board of Directors.

- Note 4. Including persons or entities who are included in the holders pursuant to Article 27-23, paragraph (3) of the Financial Instruments and Exchange Act (including persons or entities who are recognized to fall under this category by the Board of Directors of the Company). The same shall apply hereafter in this proposal.
- Note 5. Defined in Article 27-23, paragraph (4) of the Financial Instruments and Exchange Act. The same shall apply hereafter in this proposal unless otherwise specified; however, for the purpose of calculating such ownership ratios, (i) special related parties as defined in Article 27-2, paragraph (7) of the same Act, (ii) investment banks, securities companies, and other financial institutions that have entered into financial advisory agreements with such specific shareholder, as well as the tender offer agent and lead underwriter for such specific shareholder (hereinafter referred to as "Contractual Financial Institutions, Etc."), lawyers, certified public accountants, tax accountants, and other advisors; (iii) holders and their joint holders (meaning joint holders as defined in Article 27-23, paragraph (5) of the Financial Instruments and Exchange Act, and including those deemed to be joint holders pursuant to paragraph (6) of the same article, as recognized by the Company's Board of Directors; the same shall apply hereinafter), and any person or entity who has acquired the Company's share certificates, etc., from a person or entity falling under (i) or (ii) above through an over-the-counter transaction or an off-floor transaction on the Tokyo Stock Exchange (ToSTNeT-1) shall be deemed a joint holder of such specific shareholder under the Plan. In addition, for the purpose of calculating such ownership ratios, the total number of the Company's outstanding shares may be determined by referring to the most recent information disclosed by the Company.
- Note 6. This includes having the right to demand delivery of share certificates, etc. based on sales or other contracts, as well as conducting transactions specified in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act.
- Note 7. Defined in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act.
- Note 8. Defined in Article 27-2, paragraph (6) of the Financial Instruments and Exchange Act. The same shall apply hereafter in this proposal.
- Note 9. Defined in Article 27-2, paragraph (8) of the Financial Instruments and Exchange Act. The same shall apply hereafter in this proposal. For the purpose of calculating such ownership ratios, the total number of voting rights held by the Company may be determined by referring to the most recent information disclosed by the Company.
- Note 10. Defined in Article 27-2, paragraph (7) of the Financial Instruments and Exchange Act (including those who are recognized to fall under this category by the Board of Directors of the Company). However, with respect to the persons or entities set forth in item (i) of the same paragraph, those set forth 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. Under the plan, (i) joint holders and (ii) Contractual Financial Institutions, Etc. shall be deemed to be special related parties of such specific shareholder. The same shall apply hereafter unless otherwise specified.
- Note 11. The determination of whether a relationship between said specific shareholder and said other shareholder wherein one party substantially controls the other or they act jointly or in concert has been established shall be made in accordance with the criteria set forth in Appendix 5. The criteria set forth in Appendix 5 may be revised within a reasonable scope as appropriate by resolution of the Independent Committee based on amendment to laws and regulations, trends in court precedents, and other factors. In such cases, the Company will promptly disclose the revisions.
- Note 12. The determination of whether the acts specified in item (iii) have been taken shall be made reasonably by the Company's Board of Directors based on the advice of the Independent Committee. The Company's Board of Directors may request that the Company's shareholders provide necessary information to the extent required to determine whether the requirements specified in item (iii) have been met.

(b) **Submission of a Letter of Intent**

Prior to commencing or executing the Large-scale Purchase, the Offeror is required to submit to the Company's Board of Directors, in a form separately prescribed by the Company, a document (signed or stamped with a name and seal by a representative of the Offeror who must not attach any conditions for submission of the document or withhold the submission) containing a covenant to comply with the procedures of the Plan and a certificate of qualification of the representative who has signed or stamped the document (hereinafter collectively referred to as a "Letter of Intent"). In the Letter of Intent, the Offeror is required to clearly indicate the name, address or main office, location of its office, purpose of incorporation and business line, the law

governing its establishment, position and name of its representative, outline of the major shareholders or investors (top 10 in terms of shareholding ratio or investment ratio), contact information in Japan, number of the Company's share certificates, etc. actually held by the Offeror, the status of transactions of the Company's share certificates, etc., by the Offeror during the 60 days prior to submitting the Letter of Intention, and summary of the contemplated Large-scale Purchase. The Offeror is also required to submit its Articles of Incorporation and a certificate of all registered matters (*rireki jiko zenbu shomeisho*) or the equivalent thereof, as well as its non-consolidated and consolidated balance sheets and statements of income for the most recent five fiscal years. The language used in the Letter of Intent, the Purchase Explanation specified in (c) below, and any other documents that the Offeror submits to the Company or the Independent Committee shall be only Japanese.

(c) Request for information to the Offeror

The Company delivers to the Offeror the form of the Purchase Explanation (defined below) (including a list of information that should be provided by the Offeror to the Company) within ten business days (first day not to be counted) of receipt of the Letter of Intent. The Offeror is required to submit to the Board of Directors of the Company a document (hereinafter referred to as the "Purchase Explanation") providing the information that the Board of Directors of the Company or the Independent Committee thinks is necessary to examine the details of the Large-scale Purchase by the Offeror, including the information prescribed in the items below (hereinafter referred to as the "Necessary Information") as per the form delivered by the Company. When the Board of Directors of the Company receives the Purchase Explanation, it promptly sends the Explanation to the Independent Committee (please refer to Appendix 2: Summary of the Rules of the Independent Committee for the criteria for appointment of Independent Committee members, matters for resolution and requirements for resolution by the Committee, etc. Appendix 3: Independent Committee Members - Career Summaries shows short biographies of the Committee members scheduled to assume the position when the Plan continues).

The Board of Directors of the Company and the Independent Committee may request the Offeror to provide additional information by a suitably specified deadline if they decide that the details contained in the Purchase Explanation are inadequate as the Necessary Information to allow the shareholders and investors to make an informed decision and the Board of Directors of the Company to evaluate and review the content and nature of the Large-scale Purchase. In this case, the Offeror is required to provide the additional information to the Board of Directors of the Company and the Independent Committee by the deadline.

Requests for additional provision of the Necessary Information may be made repeatedly until the Company's Board of Directors deems that the Necessary Information has been sufficiently provided. However, the final response deadline shall not exceed 60 days from the date the Offeror receives a list of information, even if the Company's Board of Directors does not deem that the Necessary Information has been sufficiently provided (provided, however, that this period may be extended to the extent necessary upon request by the Offeror; hereinafter referred to as the "Necessary Information Provision Period"). Furthermore, regardless of the content or nature of the Large-scale Purchase, information regarding the following items shall, in principle, be included as part of the Necessary Information.

- (i) Details of the Offeror and its group (this includes major shareholders or investors, significant subsidiaries and affiliates, joint holder (Note 13.), specially related party, specially related party of a person or entity of whom the Offeror is a controlled corporation or other organization (Note 14.), and any other closely related parties; in the case of a fund or an entity related to its investment (regardless of whether they are established under Japanese law or foreign law, and irrespective of their legal form; hereinafter referred to as "Funds, Etc."), or where there is a Funds, Etc., that is substantially controlled or managed by the Offeror, this includes each union member, investor, or other member, as well as person or entity who provides ongoing investment advice; the same shall apply

hereinafter.) (including their names, history, capital relationships, the law governing its establishment, capital structure, business line, details of investment policies, details of investment and financing activities over the past ten years, whether the entity qualifies as a “foreign investor” as defined in Article 26, paragraph (1) of the Foreign Exchange and Foreign Trade Act (hereinafter referred to as the “Foreign Exchange Act”) and the information supporting such determination, details of their finances, their financial performance, whether they have violated the laws and regulations within the past ten years and details of the violation if any, details regarding experience in businesses similar to those of the Company and the Group and the potential for future competition, names and job histories of officers, as well as whether they have violated the laws and regulations and details of the violation if any, and details of any past transactions similar to the Large-scale Purchase made by the Offeror)

- (ii) The specific details of the internal control systems of the Offeror and its group (including the group’s internal control system) and whether such systems are effective or the status thereof
- (iii) The objective of the Large-scale Purchase (detailed description of the objective stated in the Letter of Intent. This must include a statement and summary of any other objectives, such as acquiring control or participating in management, making a pure investment or a strategic investment, transferring the Company’s shares, etc. to a third party following a Large-scale Purchase, or engaging in a material proposal, etc. (as defined in Article 27-26, paragraph (1) of the Financial Instruments and Exchange Act; the same shall apply hereinafter); if there are multiple objectives, all must be described.), method to be used for the Large-scale Purchase and descriptions thereof (class and number of the Company’s share certificates, etc. subject to the Large-scale Purchase, and the ownership ratios following the Large-scale Purchase)
- (iv) Value and type of consideration for the Large-scale Purchase, schedule, how related transactions work, the legality of the method (an opinion letter from a qualified attorney must also be submitted.), and feasibility (including the details of any conditions imposed on the Large-scale Purchase, if applicable)
- (v) Value of the Large-scale Purchase and details of the basis for calculation (the basis for calculation includes facts and assumptions underlying the calculation, calculation methods, name of the valuation firm and information regarding said firm, summary of the valuation firm’s opinion and the process by which the amount was determined based on said opinion, numerical data used in the valuation, and amount of synergies and dis-synergies expected to arise from the series of transactions related to the Large-scale Purchase, along with the basis for their calculation.)
- (vi) Details of any agreement related to share certificates, etc. of the Company between the Offeror and a third party (including whether such agreements exist and, if any, their specific content and nature)
- (vii) Information about any past acquisition of share certificates, etc. of the Company by the Offeror
- (viii) The financial backing for the Large-scale Purchase (including the specific name of the provider of funds for the Large-scale Purchase (including substantial providers of funds for acquisition, whether direct or indirect), the method of financing, whether there are any conditions for the disbursement of funds and, if any, their details, whether there are any collateral requirements or covenants after the funds are disbursed and, if any, their details, and the details of related transactions)
- (ix) Communication with a third party about the Large-scale Purchase (including communication regarding the intention to make a material proposal, etc., to the Company) and, if any, what has been communicated
- (x) Management policy of the Group and intention to participate in management after the offered Large-scale Purchase is carried out, information regarding the backgrounds of director candidates scheduled to be seconded after the completion of the Large-scale Purchase and other details (including information regarding knowledge, experience, etc.

related to businesses similar to those of the Company and the Group), business plans, capital policy, funding plan, dividend policy, asset utilization strategies, etc. (including plans regarding the sale, provision of collateral, or other disposition of the Company's and the Group's assets following the completion of the Large-scale Purchase), and other matters concerning the Group's officers, employees, trading partners, customers, and local stakeholders (including local governments where research institutes, factories, etc., are located) following the completion of the Large-scale Purchase

- (xi) Policy regarding the holding of the Company's share certificates, etc. following the completion of the Large-scale Purchase, and, if there is a prospect that the Company's share certificates, etc. will be delisted, a statement to that effect and the reasons therefor
- (xii) Policy regarding shareholders of the Company (excluding the Offeror), employees and trading partners of the Company, local communities, and any other stakeholders of the Company after the Large-scale Purchase is carried out
- (xiii) Specific measures to avoid conflicts of interest between the Offeror and other shareholders of the Company
- (xiv) Information regarding relationships with anti-social forces or terrorist-related organizations (regardless of whether such relationships are direct or indirect), details regarding the nature of such relationships, if any, and the policy for addressing them
- (xv) Written undertaking stating that the Offeror does not constitute an abusive acquirer
- (xvi) Regulatory requirements under the Foreign Exchange Act and other domestic and foreign laws and regulations that may apply to the Large-scale Purchase, and likelihood of obtaining approvals, licenses, or other authorizations required under antitrust laws, the Foreign Exchange Act, or other laws and regulations from domestic or foreign governments or third parties (for these matters, an opinion letter from a qualified attorney in the relevant jurisdiction must be submitted.)
- (xvii) Likelihood of maintaining the domestic and international licenses and other authorizations necessary for the management of the Group following the completion of the Large-scale Purchase, and likelihood of complying with various domestic and foreign laws and regulations
- (xviii) Any other information that the Board of Directors or the Independent Committee of the Company reasonably determines to be necessary

Note 13. Joint holders as defined in Article 27-23, paragraph (5) of the Financial Instruments and Exchange Act, including those deemed to be joint holders pursuant to paragraph (6) of the same article (including those who are recognized to fall under this category by the Board of Directors of the Company). The same shall apply hereafter in this proposal.

Note 14. Defined in Article 9, paragraph (5) of the Order for Enforcement of the Financial Instruments and Exchange Act.

- (d) Review of the terms of the Large-scale Purchase, negotiation with the Offeror, and review of alternative proposals
  - (i) Request for information from the Board of Directors of the Company  
When the Offeror submits the Purchase Explanation and the additional information requested by the Board of Directors or the Independent Committee of the Company (if any), the Board of Directors of the Company may request that the Offeror provide its opinions about the details of the Large-scale Purchase made by the Offeror (including those that express the intention to withhold opinions; the same shall apply hereinafter), documents that serve as the basis for the opinions, alternative proposals (if any), and any other information that the Independent Committee suitably recognizes as necessary, by the end of the response period to be set as appropriate within the Board of Directors Review Period. If the Board of Directors of the Company or Independent Committee determines that the provision of the Necessary Information has been completed (even if part of the Necessary Information has not been submitted, the provision of the Necessary Information may be deemed complete if a reasonable explanation for the non-submission is provided), or if the Necessary Information Provision Period has expired, the Company shall promptly disclose this fact in accordance with applicable laws and regulations. As described in (ii) below, the

Board of Directors Review Period shall commence on the day following the date of such disclosure.

(ii) Review and other actions by the Board of Directors

From the day following the date on which the Company discloses that it acknowledges that the Offeror has provided the information, etc. (including additionally requested information) or that the Necessary Information Provision Period has expired, until, as a rule, the expiration of the period specified in 1) or 2) below (hereinafter referred to as the “Board of Directors Review Period”), the Board of Directors of the Company reviews the details of the Large-scale Purchase, collects information about and compares the management and business plans by the Offeror and the Board of Directors of the Company, and reviews the alternative proposals presented by the Board of Directors of the Company.

- 1) In the case of a tender offer to purchase all share certificates, etc. of the Company in exchange for money (in yen), up to 60 days
- 2) In the case of other Large-scale Purchase, up to 90 days

The Board of Directors of the Company may, as necessary, receive advice from investment banks, securities firms, financial advisors, certified public accountants, lawyers, tax accountants, consultants, and other relevant experts (hereinafter referred to as “External Experts”). While obtaining such advice, the Board of Directors shall fully evaluate and review the Necessary Information provided by the Offeror, and shall examine the details of the Large-scale Purchase by the Offeror, from the perspective of securing and enhancing the Company’s corporate value and the common interests of shareholders. Through these reviews and other processes, the Board of Directors of the Company will carefully formulate its opinion regarding the Large-scale Purchase, notify the Offeror of such opinion, and disclose it to shareholders and investors in a timely and appropriate manner. Furthermore, if necessary, the Board of Directors of the Company may negotiate with the Offeror regarding the terms and methods of the Large-scale Purchase, and may also present alternative proposals to shareholders and investors on behalf of the Board of Directors.

Upon receiving a Letter of Intent and the Necessary Information from the Offeror, the Board of Directors of the Company, concurrent with the commencement of the Board of Directors Review Period, consults with the Independent Committee regarding whether to invoke countermeasures. At that time, the Company provides the Independent Committee with all information received from the Offeror.

In addition, the Independent Committee may have direct or indirect discussions or negotiations with the Offeror if doing so is necessary to improve the details of the Large-scale Purchase in order to ensure and enhance the corporate value of the Company and the common interests of its shareholders. If the Independent Committee requests the Offeror, directly or indirectly, to provide documents for review or other information, or to hold discussions or negotiations, the Offeror must promptly comply with the request.

In either of the cases described in 1) or 2) above, based on the review of the details of the Large-scale Purchase by the Offeror and alternative proposals (if any), as well as negotiations with the Offeror, the Board of Directors Review Period may be extended only to the extent reasonably necessary, and only if the Board of Directors of the Company and the Independent Committee reasonably determine that such review period is insufficient for such evaluation and review. As a rule, the extension shall not exceed 30 days.

(e) Advice offered by the Independent Committee

During the Board of Directors Review Period, in parallel with the evaluation, review, negotiation, opinion-forming, and development of alternative proposals by the Company’s Board of Directors as described in (d) above, the Independent Committee may, following the procedures below, advise the Board of Directors of the Company to allot the Share Acquisition Rights without contribution or invoke other measures that are allowed under the laws and regulations and the Articles of Incorporation of the Company (hereinafter collectively referred to as “Countermeasures”) if the Committee determines that either of the reasons for invoking the Plan

specified in (2) “Requirements for invocation of Countermeasures” (hereinafter collectively referred to as “Reasons for Invoking the Plan”) below applies to the Large-scale Purchase. The Independent Committee may also give a statement that the Board of Directors should confirm the will of shareholders before invoking Countermeasures.

i) Where Reason 1 for Invoking the Plan applies (where the Offeror does not comply with the procedures stipulated in the Plan)

If the Independent Committee determines that Reason 1 for Invoking the Plan applies, it shall, in principle, advise the Company’s Board of Directors to invoke Countermeasures and take any other actions it deems necessary, unless it is clearly necessary to refrain from invoking Countermeasures to secure and enhance the corporate value of the Group and the common interests of its shareholders or unless there are other exceptional circumstances.

ii) Where Reason 2 for Invoking the Plan applies

If the Offeror complies with the procedures stipulated in the Plan, the Independent Committee shall, in principle, advise the Company’s Board of Directors not to invoke Countermeasures. However, even if the procedures stipulated in the Plan are complied with, if the situation is deemed to fall under any of the categories listed in Reason 2 for Invoking the Plan set forth in (2) below, and if it determines that such purchase would significantly damage the Company’s corporate value and the common interests of its shareholders, and that the invocation of Countermeasures is appropriate, the Independent Committee may, as an exceptional measure, advise the Board of Directors to invoke Countermeasures.

Note that, after it advises that Countermeasures be invoked, the Independent Committee may offer new advice about dropping the Countermeasures, suspending their invocation, or other relevant actions if it decides that either of the reasons stated below applies to the Large-scale Purchase in question. After it advises that the Share Acquisition Rights be allotted without contribution, the Independent Committee may offer new advice, by two business days before the ex-rights date for the allotment of the Share Acquisition Rights without contribution, that the allotment of the Share Acquisition Rights without contribution should be cancelled. Or, from the effective date of the allotment of the Share Acquisition Rights without contribution to one day before the first date of the exercise period for the Share Acquisition Rights, the Committee may advise that the Share Acquisition Rights be acquired without contribution.

(i) The Offeror withdraws the Large-scale Purchase, or the Large-scale Purchase ceases to exist for any other reasons, after the advice is given.

(ii) The Reasons for Invoking the Plan cease to exist because of changes in the facts which prompted the decision to offer the advice, or for any other reasons.

However, if it decides that there are no Reasons for Invoking the Plan against the Large-scale Purchase, the Independent Committee shall not advise the Board of Directors of the Company to invoke any Countermeasures. Note that, even when it decides not to advise that Countermeasures be invoked, the Independent Committee may offer new advice that Countermeasures should be invoked if any Reasons for Invoking the Plan arise at a later date because of changes in the facts which prompted the decision to offer the advice against Countermeasures.

In addition to the above, if the Large-scale Purchase may damage the corporate value of the Company, and thus the common interests of its shareholders, the Independent Committee may also advise that a General Meeting of Shareholders be held to confirm the will of shareholders regarding the Large-scale Purchase by the Offeror, giving the reason for the advice.

(f) Resolution of the Board of Directors

When it receives advice from the Independent Committee in accordance with (e) above, the Board of Directors of the Company shall, honoring the advice to the fullest extent, promptly adopt a resolution to invoke or not to invoke Countermeasures as an organ that abides by the Companies Act based on the Plan. Note that, if it decides to hold a General Meeting of Shareholders pursuant to (g) below, the Board of Directors of the Company shall adopt its resolution in accordance with the resolution of the General Meeting of Shareholders.

Even if the Independent Committee advises that a resolution should be passed not to invoke Countermeasures, the Company's Board of Directors honor such advice from the Independent Committee to the fullest extent. If the Board of Directors determines that there are circumstances, such as the risk of violating Directors' duty of due care of a prudent manager, that would result from following such advice, it may resolve to invoke Countermeasures, or, instead of resolving not to invoke them, may resolve to convene a General Meeting to Confirm the Will of Shareholders (as defined in (g) below; the same shall apply hereinafter) to ask the shareholders whether to invoke Countermeasures.

Furthermore, even after the Independent Committee has advised the Company's Board of Directors to invoke Countermeasures, the Company's the Board of Directors may decide to suspend the invocation of Countermeasures or take other actions if the Large-scale Purchase is withdrawn or if there are changes in the facts which prompted the decision to offer the advice. If such a resolution is passed, the Company shall disclose the opinion of its Board of Directors, the reasons thereof, and any other information deemed appropriate in a timely and appropriate manner in accordance with applicable laws and regulations and the rules specified by the relevant financial instruments exchange.

(g) Convocation of a General Meeting to Confirm the Will of Shareholders

The Board of Directors of the Company shall convene, as soon as possible, a General Meeting of Shareholders to confirm the will of shareholders (hereinafter referred to as a "General Meeting to Confirm the Will of Shareholders") if: (I) the Independent Committee has given a statement that the Board should obtain approval for invoking Countermeasures from shareholders at a General Meeting, or advised the Board to confirm the will of shareholders regarding the Large-scale Purchase by the Offeror, in accordance with (e) above, or (II) whether Reason 2 for Invoking the Plan is applicable to a certain Large-scale Purchase is questioned, and the Board of Directors of the Company, taking account of the time needed to hold a General Meeting of Shareholders, decides that it is appropriate to confirm the will of shareholders in light of the duty of due care of a prudent manager. In such cases, the Company's Board of Directors discloses details including the scope of shareholders eligible to exercise voting rights (which the Company intends to determine appropriately, taking into account recent court precedents and the nature of Large-scale Purchase, among other factors), the record date for voting rights, and the date and time of the General Meeting to Confirm the Will of Shareholders, in accordance with applicable laws and regulations. Resolution at the General Meeting to Confirm the Will of Shareholders shall be adopted by a majority of the voting rights of the shareholders eligible to exercise voting rights who are present at such meeting.

If the proposal regarding the invocation of Countermeasures is approved at the relevant General Meeting to Confirm the Will of Shareholders, the Company's Board of Directors shall, in accordance with the decision made at that meeting, pass a resolution to invoke Countermeasures and carry out the necessary procedures. Conversely, if the proposal regarding the invocation of Countermeasures is rejected at the relevant General Meeting to Confirm the Will of Shareholders, the Company's Board of Directors shall pass a resolution not to invoke Countermeasures.

Even if procedures for convening the relevant General Meeting to Confirm the Will of Shareholders have been initiated, the Company may cancel such procedures if the Company's Board of Directors subsequently resolves not to invoke Countermeasures, or if the Offeror does not comply with the procedures specified in the Plan and the Company's Board of Directors determines that it is appropriate to resolve to invoke Countermeasures. Even if such a resolution is adopted, the Company promptly discloses, in accordance with applicable laws and regulations, a summary of the resolution including the Company's Board of Directors' evaluation, judgment, and opinion regarding the necessity of invoking Countermeasures, as well as other matters deemed appropriate by the Company's the Board of Directors.

(h) Disclosure of information

As part of its administration of the Plan, the Company will, in accordance with applicable laws and regulations or policies and rules specified by the relevant financial instruments exchange,

disclose information in a timely manner regarding the progress (including the fact that the Letter of Intent and Purchase Explanation have been submitted and a summary thereof, a summary of the Necessary Information, the fact that the Board of Directors Review Period has commenced, and/or the fact that the Board of Directors Review Period has been extended, coupled with the extended period and the reasons for the extension) of each procedure of the Plan, a summary of the advice by the Independent Committee, a summary of the resolutions of the Board of Directors of the Company, a summary of the resolution of the General Meeting to Confirm the Will of Shareholders, and other matters that the Independent Committee or the Board of Directors of the Company deems necessary or appropriate for shareholders and investors to make informed decisions.

(2) Requirements for invocation of Countermeasures

Any of the reasons stated below are required to invoke the Plan to take Countermeasures. As stated in (e) under (1) “Procedures for invoking the Plan” above, advice from the Independent Committee always precedes a decision about whether any of the requirements below applies.

Reason 1 for Invoking the Plan

The Large-scale Purchase does not follow the procedure specified in the Plan (including cases in which the time and information reasonably needed to judge the details of the Large-scale Purchase are not given), and it merits Countermeasures.

Reason 2 for Invoking the Plan

Any of the following applies to the Large-scale Purchase, and the Large-scale Purchase merits Countermeasures.

- (a) The Large-scale Purchase may cause obvious harm to the corporate value of the Company and the common interests of its shareholders through any of the following acts:
  - (i) Buying up share certificates, etc. to drive up the stock price and demanding that the Company or its stakeholders purchase these share certificates, etc., at a high price without serious intention to participate in the management of the Company (so called ‘green mailing’), or acquiring the Company’s share certificates, etc. primarily for the purpose of earning short-term profits
  - (ii) Temporarily controlling the management of the Company and transferring intellectual property, know-how, confidential corporate information, major trading partners and customers, etc. that are vital to the business management of the Company to Offeror or its group companies, or acquiring the Company’s important assets at low cost, and any other acts of management intended to serve the interest of the Offeror at the expense of the Company
  - (iii) Misappropriating the Company’s assets to put them up as collateral for debt obligations of the Offeror or its group companies or to use them as funds for repayment of the debts (however, the decision to invoke Countermeasures shall be based on whether the act damages the Company’s corporate value or the common interests of its shareholders and Countermeasures shall not be invoked solely on the grounds that the act formally falls under item (iii).)
  - (iv) Temporarily controlling the management of the Company to dispose of high-priced assets, such as real estate and securities, that have no relevance to its current business, and using the profits from such disposal to pay high dividends temporarily, or selling the shares at a high price by taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporary high dividends (however, the decision to invoke Countermeasures shall be based on whether the act damages the Company’s corporate value or the common interests of its shareholders and Countermeasures shall not be invoked solely on the grounds that the act formally falls under item (iv).)
  - (v) Without showing any particular interest in or involvement with the Company’s management, and after acquiring the Company’s share certificates, etc., resorting to various tactics to seek capital gains solely by reselling the Company’s shares to the Company itself

or third parties in the short to medium term, and ultimately pursuing their own interests relentlessly with a view to even disposing of the Company's assets

- (vi) Where there are reasonable grounds to conclude that the terms of the acquisition of the Company's share certificates, etc. proposed by the Offeror (including, but not limited to, the type of the consideration, value and the basis for its calculation, details, schedule, method, legality, and feasibility) are insufficient or inappropriate in light of the Company's corporate value
  - (b) In case of a coercive two-tiered purchase (a tender offer or other acquisition of shares without soliciting the acquisition of all share certificates, etc. in the initial acquisition and with unfavorable or unclear terms for the second stage of the acquisition, or in such a form as to cause concerns about the future liquidity of the Company's share certificates, etc. due to delisting or similar events), a partial tender offer (a tender offer targeting only a portion, rather than all, of the Company's share certificates, etc.), or any other Large-scale Purchase that is, in substance, structurally coercive in a way that would restrict the Company's shareholders' opportunities or grounds for making decisions on the sale of their shares.
  - (c) It is determined, based on reasonable grounds, that the conditions for the Large-scale Purchase (including the value and type of the consideration, schedule, legality of the method, and feasibility) are inadequate or inappropriate in terms of the primary value of the Company.
  - (d) It is determined, based on reasonable grounds, that the Large-scale Purchase by the Offeror is likely to pose a serious threat that would go against the corporate value of the Company and the common interests of its shareholders by damaging relationships not only with shareholders but also with interested parties, such as employees of the Company, who are essential to create the corporate value of the Company, or by taking any other equivalent actions.
  - (e) In comparison with the Company's corporate value over the medium to long term, it is determined that the Company's corporate value in the event that the Large-scale Purchase is made by the Offeror would be clearly inferior to that which would result if such a Large-scale Purchase was not made.
  - (f) It is determined, based on reasonable grounds, that the Offeror is unsuitable to serve as a controlling shareholder of the Company, for reasons such as the presence among its management, major shareholders, or investors of individuals with ties to anti-social forces or terrorist-related organizations.
  - (g) Other cases similar to those listed in (a) through (f) above, where it is determined that such actions would significantly damage the corporate value of the Group and eventually the common interests of shareholders.
- (3) Summary of allotment of the Share Acquisition Rights without contribution
- The following summarizes the allotment of the Share Acquisition Rights without contribution that is implemented in accordance with the Plan.
- (a) Number of Share Acquisition Rights  
The number shall be limited to the finalized total number of outstanding shares in the Company as of a date separately specified (hereinafter referred to as the "Allotment Date") by resolution of the Board of Directors concerning the allotment of the Share Acquisition Rights without contribution (hereinafter referred to as the "Resolution for Allotment of the Share Acquisition Rights Without Contribution") (note that the number of these shares held by the Company on this date shall be deducted), and shall be the number separately specified by the Company's Board of Directors in the Resolution for Allotment of the Share Acquisition Rights Without Contribution.
  - (b) Shareholders Entitled to Allotment  
The Company allots one Share Acquisition Right to shareholders (other than the Company) recorded in the Company's final shareholder register as of the Allotment Date (hereinafter referred to as "Shareholders Entitled to Allotment") for each share in the Company they hold.
  - (c) Effective date of the allotment of the Share Acquisition Rights without contribution  
The date will be separately specified by the Resolution for Allotment of the Share Acquisition Rights Without Contribution.

- (d) **Number of shares to be issued upon exercise of the Share Acquisition Rights**  
 The class of shares to be issued upon exercise of the Share Acquisition Rights shall be the Company's common shares, and the number of shares in the Company to be issued upon exercise of one Share Acquisition Right (hereinafter referred to as the "Number of Shares Issued per Exercised Right") shall be the number separately specified by the Company's Board of Directors in the Resolution for Allotment of the Share Acquisition Rights Without Contribution, subject to a maximum of one share. However, in the event the Company conducts a stock split, a reverse stock split, etc., the necessary adjustments shall be made.
- (e) **Value of property contributed upon exercise of the Share Acquisition Rights**  
 The property to be contributed upon exercise of the Share Acquisition Rights shall be cash, and the value of the property contributed upon exercise of the Share Acquisition Rights per share in the Company shall be no less than one yen and shall be the amount separately determined by the Company's Board of Directors in the Resolution for Allotment of the Share Acquisition Rights Without Contribution.
- (f) **Exercise period of the Share Acquisition Rights**  
 The first day shall be separately specified by the Resolution for Allotment of the Share Acquisition Rights Without Contribution (The first day of the exercise period is hereinafter referred to as the "Start Date of the Exercise Period"), and the period shall be separately specified by the Company's Board of Directors in the Resolution for Allotment of the Share Acquisition Rights Without Contribution.
- (g) **Exercise conditions of the Share Acquisition Rights**  
 The Share Acquisition Rights may not be exercised by (I) a specified large volume holder (Note 15.), (II) a joint holder of a specified large volume holder, (III) a specified large volume purchaser (Note 16.), (IV) a party specially related to a specified large volume purchaser, or (V) a person or entity who has received or succeeded the Share Acquisition Rights from a person or entity to whom any of (I) to (IV) above applies without approval from the Board of Directors of the Company, or (VI) a party affiliated with a person or entity to whom any of (I) to (V) above applies (Note 17.) (Persons or Entities to whom any of (I) to (VI) applies are hereinafter collectively referred to as "Non-qualified Persons"), unless there are certain exceptional grounds (Note 18.). Details of the exercise conditions of the Share Acquisition Rights shall be separately specified by the Resolution for Allotment of the Share Acquisition Rights Without Contribution.

Note 15. In principle, this refers to a holder of share certificates, etc. issued by the Company who holds 15% or more of share certificates, etc., related to those share certificates, etc. (including those who are recognized as persons or entities to whom this criterion applies by the Board of Directors of the Company). However, such a person or entity shall not qualify as a specified large volume holder if the Board of Directors of the Company recognizes that acquisition and holding of share certificates, etc., of the Company by this person or entity does not go against the corporate value of the Company or the common interests of its shareholders, or if the Board of Directors of the Company separately specifies that the person or entity is not such a holder in the Resolution for Allotment of the Share Acquisition Rights Without Contribution. The same shall apply hereafter in this proposal.

Note 16. In principle, this refers to a person or entity who has given a public notice of a purchase, etc. (as defined in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act; the same shall apply hereafter in this note) of share certificates, etc. (as defined in Article 27-2, paragraph (1) of the same Act; the same shall apply hereafter in this note) issued by the Company through a tender offer, and who would hold 15% or more of share certificates, etc. connected to the person's or entity's holding (including the cases prescribed in Article 7, paragraph (1) of the Order for Enforcement of the Financial Instruments and Exchange Act as equivalent thereto) after the purchase, etc., with the percentage of share certificates, etc. held by a party specially related to the person or entity combined (including persons or entities that the Board of Directors of the Company recognizes as one to whom these criteria apply). However, such a person or entity shall not qualify as a specified large volume purchaser if the Board of Directors of the Company recognizes that acquisition and holding of share certificates, etc., of the Company by this person or entity does not go against the corporate value of the Company or the common interests of its shareholders, or if the Board of Directors of the Company separately specifies that the person or entity is not such a purchaser in the Resolution for Allotment of the Share Acquisition Rights Without Contribution. The same shall apply hereafter in this proposal.

Note 17. “A party affiliated with a person or entity” refers to a party who substantively controls, is controlled by, or is under the common control with, the person or entity (including a party who is recognized by the Board of Directors of the Company to be one to whom any of these definitions applies) or a party who is recognized by the Board of Directors of the Company as one that substantively acts in cooperation with the person or entity. The “control” refers to one as in “if a company controls determinations on the financial and business policies” (as defined in Article 3, paragraph (3) of the Regulations for Enforcement of the Companies Act) of another company or any organization.

Note 18. Specifically, these are the exceptional grounds planned to be specified: The Offeror and any other Non-qualified Person who have disposed of their shares in the Company may exercise the Share Acquisition Rights that will lead to the issuance of the number of shares equivalent to the number of the disposed shares, which must be less than 15% of share certificates, etc. in the following cases: (x) After the Resolution for Allotment of the Share Acquisition Rights Without Contribution, the Offeror cancels or withdraws the Large-scale Purchase and pledges not to conduct any Large-scale Purchase thereafter, and the Offeror and other Non-qualified Person entrust the said disposal to a securities firm approved by the Company, and (y) The Offeror holds less than 15% of share certificates, etc. as the percentage recognized by the Board of Directors of the Company (hereinafter referred to as the Percentage of Share Certificates, etc. Held by a Non-qualified Person) (note that, when the percentage of share certificates, etc. held is calculated, any Non-qualified Persons other than the Offeror and a joint holder thereof shall also be deemed as a joint holder of the Offeror, and that the calculation excludes the Share Acquisition Rights held by a Non-qualified Person that do not fulfill the exercise conditions). Conditions and procedures for exercise of the Share Acquisition Rights by the Non-qualified Person shall be separately specified by a Resolution for Allotment of the Share Acquisition Rights Without Contribution or by the Board of Directors of the Company.

(h) Transfer of the Share Acquisition Rights

Any acquisition of the Share Acquisition Rights by transfer requires approval from the Board of Directors of the Company.

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

Subject to the occurrence of certain events or the arrival of a date separately specified by the Board of Directors of the Company, and in accordance with a resolution of the Board of Directors of the Company, the Share Acquisition Rights may involve (i) conditions for acquisition under which the Company may acquire all of the Share Acquisition Rights or only those held by shareholders other than Non-qualified Persons, (ii) conditions for acquisition under which, while the Company acquires the Share Acquisition Rights held by shareholders other than Non-qualified Persons in exchange for the Company’s common shares, the Company acquires the Share Acquisition Rights held by Non-qualified Persons in exchange for other share acquisition rights subject to certain conditions for exercise (e.g., conditions allowing the Share Acquisition Rights to be exercised within a certain scope, such as the ownership ratios of share certificates, etc. after the exercise falling below 15% in the event that the Offeror disposes of shares) and conditions for acquisition (provided, however, that such conditions are limited to those reasonably determined not to damage the interests of shareholders other than Non-qualified Persons), and other conditions for acquisition that take into account their effectiveness as a Countermeasure against Large-scale Purchase. In the event that the Company acquires the Share Acquisition Rights held by Non-qualified Persons, no money or other consideration shall be paid in exchange therefor.

The specific conditions for acquiring the Share Acquisition Rights shall be separately specified by the Resolution for Allotment of the Share Acquisition Rights Without Contribution.

(j) Delivery of share acquisition rights in the cases of merger, absorption-type company split, incorporation-type company split, share exchange, and share transfer

The delivery shall be separately specified by a Resolution for Allotment of the Share Acquisition Rights Without Contribution.

(k) Issuance of share acquisition right certificates

Share acquisition right certificates related to the Share Acquisition Rights are not issued.

(l) Other

Other than the above, details of the Share Acquisition Rights and other necessary matters shall be separately specified by a Resolution for Allotment of the Share Acquisition Rights Without Contribution.

(4) Effective period, abolishment and revision of the Plan

The Plan shall be effective from the conclusion of this General Meeting until the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within three years after the conclusion of this General Meeting. However, if, at the time of expiration of such effective period, there exists a person or entity who is currently engaging in a Large-scale Purchase, or who intends to engage in such an act, and who is designated by the Company's Board of Directors, such effective period shall be extended to the extent necessary to address such ongoing or intended act.

Note that, even if the Plan is approved at this Annual General Meeting of Shareholders and the effective period is extended until the conclusion of the Annual General Meeting of Shareholders scheduled to be held in June 2029, and if subsequently a resolution to abolish the Plan is passed at a General Meeting of Shareholders of the Company based on a proposal by the Company, or if a resolution to abolish the Plan is passed by the Board of Directors of the Company, which is composed of directors elected at a General Meeting of Shareholders of the Company, the Plan shall be abolished in accordance with the resolution.

Furthermore, even during the effective period of the Plan, the Board of Directors of the Company may amend or revise the Plan, with the approval from the Independent Committee, if it is not contrary to the intent of the adoption of the Plan, including cases where laws and regulations related to the Plan and/or rules and policies of the relevant financial instruments exchange are newly established, revised or abolished, and it is appropriate to reflect such establishment, revision, or abolition; cases where it is appropriate to amend words or phrases for reasons such as typographical errors or omissions; and/or cases where the Company's shareholders are not disadvantaged.

In the event of the abolition, amendment or revision of the Plan, the Company promptly discloses, if necessary, the fact of such abolition, amendment or revision, and (in the case of amendment or revision) the details of such amendment or revision and other matters.

(5) Amendment due to the revision of laws and regulations

The provisions of the laws and regulations cited in the Plan postulate the provisions that are in effect on May 13, 2026. If any laws and regulations are newly established, revised or abolished on or after the date, creating the need to amend the provisions or the meaning of terms set forth in the above paragraphs, the wording in the provisions or the meaning of terms set forth in the above paragraphs may suitably be changed within a reasonable range, considering the purpose of the establishment, revision or abolishment.

3. Impact on Shareholders and Investors

(1) Impact of the adoption of the Plan on shareholders and investors

The adoption of the Plan in itself does not lead to the invocation of Countermeasures that include the allotment of the Share Acquisition Rights without contribution. Hence, the continuation of the Plan will have no direct and specific impact on shareholders or investors.

(2) Impact on shareholders and investors at the time of allotment of the Share Acquisition Rights without contribution

(a) Procedure for allotment of the Share Acquisition Rights without contribution

If the Board of Directors of the Company decides to invoke Countermeasures and passes a Resolution for Allotment of the Share Acquisition Rights Without Contribution, the Resolution will specify the Allotment Date, which will be announced in a public notice. In this case, up to one Share Acquisition Right is allotted to Shareholders Entitled to Allotment without contribution for each share in the Company they hold. Shareholders Entitled to Allotment automatically become share acquisition right holders related to the Share Acquisition Rights on the effective date of the allotment of the Share Acquisition Rights without contribution, and thus they are not required to take any action to complete the procedure for requesting the allotment. Given this mechanism, even with the allotment of the Share Acquisition Rights without contribution, while the value per share of the Company's shares held by shareholders will be diluted, the total value of the Company's shares held by shareholders will not be diluted. Consequently, the allotment of the Share Acquisition Rights without contribution is not supposed

to specifically have a direct impact on the legal rights and economic interests for the Company's shares held by shareholders.

To the contrary, the invocation of Countermeasures may ultimately have some impact on the legal rights or economic interests of Non-qualified Persons.

Furthermore, even if a Resolution for Allotment of the Share Acquisition Rights Without Contribution is adopted, the Company, honoring to the fullest extent the advice from the Independent Committee stated above in (e) under 2. (1) "Procedures for invoking the Plan," may cancel the allotment of the Share Acquisition Rights without contribution if the advice is given by two business days before the ex-rights date for the allotment of the Share Acquisition Rights without contribution. Or, from the effective date of the allotment of the Share Acquisition Rights without contribution to one day before the Start Date of the Exercise Period, the Company may acquire all the Share Acquisition Rights without contribution. In these cases, the value per share in the Company will not be diluted. This means that investors who trade their shares in the Company on the assumption that the value will be diluted may suffer corresponding damage because of share price fluctuations.

Meanwhile, if any discriminatory condition is imposed with regard to the exercise or acquisition of the Share Acquisition Rights, some effect on the legal rights or economic interests of the Non-qualified Persons is supposed to take place in conducting said exercise or acquisition. Even in such a case, however, it is not supposed that there will be a direct effect on the legal rights and economic interests for the Company's shares held by shareholders other than Non-qualified Persons.

- (b) Procedures for shareholders upon the allotment of the Share Acquisition Rights without contribution

Shareholders recorded in the final shareholder register as of the Allotment Date of the Share Acquisition Rights automatically become share acquisition right holders related to the Share Acquisition Rights on the effective date of the allotment of the Share Acquisition Rights without contribution, and thus they are not required to take any action to complete the procedure for requesting the allotment.

In addition, if the Share Acquisition Rights to be allocated without consideration involve conditions for acquisition and the Company acquires such rights, shareholders will receive the Company's shares as a consideration for the acquisition without making a payment that is equivalent to the exercise value of the Share Acquisition Rights. However, in the case of persons or entities who fall under the exceptional grounds, the Share Acquisition Rights they hold may not be subject to acquisition. In addition, the Company may acquire the Share Acquisition Rights held by such persons or entities in exchange for other share acquisition rights equal in number to the Share Acquisition Rights subject to acquisition, which are subject to certain exercise conditions or conditions for acquisition.

Other than the above, in regard to details about how the Share Acquisition Rights are allotted and exercised, and how they are acquired by the Company, if the Share Acquisition Rights are allotted without contribution, the Company will disclose information or send a notice to shareholders after the decision is made by a Resolution for Allotment of the Share Acquisition Rights Without Contribution. Please read the details of the information or notice if you receive one.

#### 4. Reasonableness of the Plan

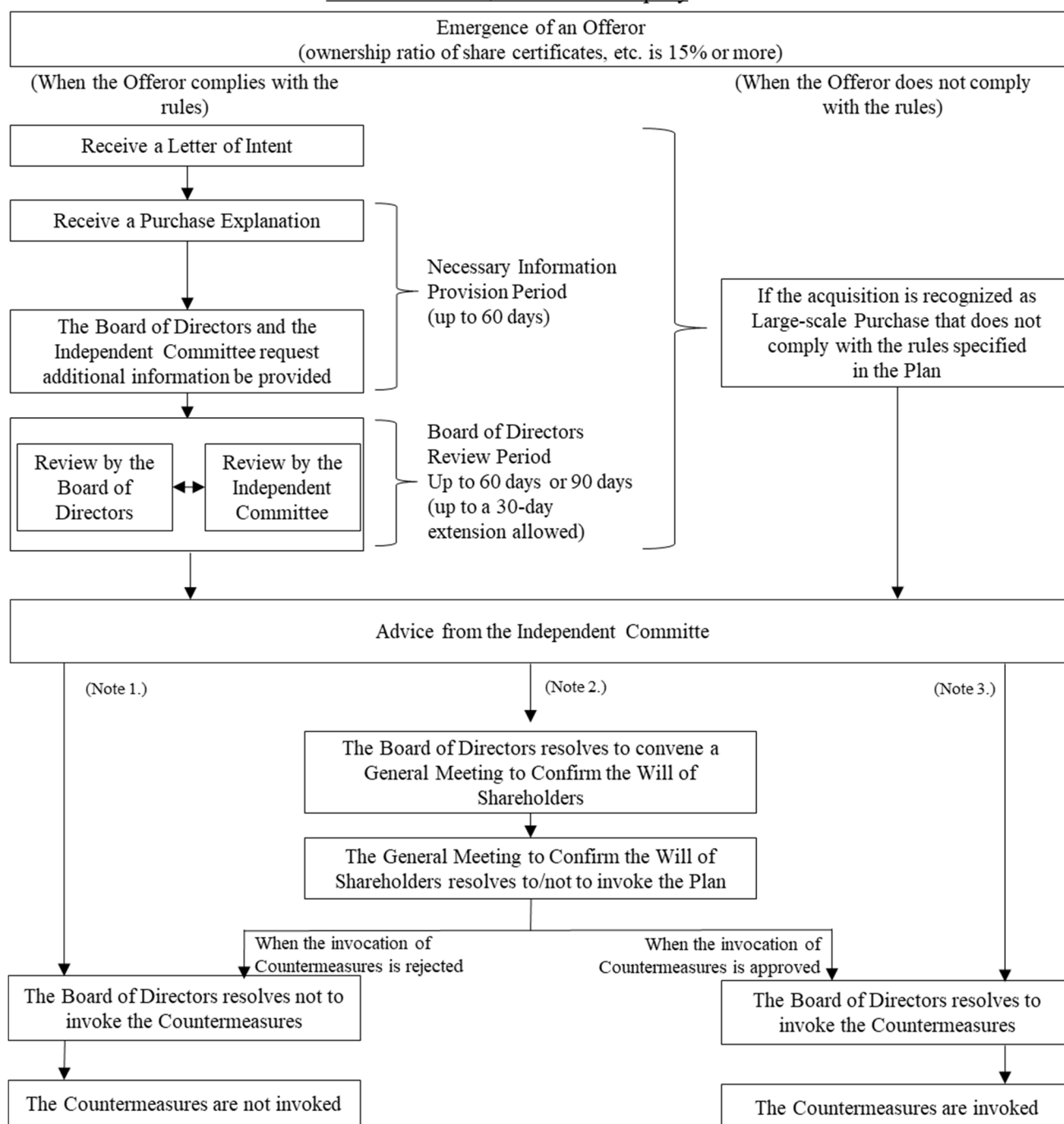
- (1) Ensuring and enhancing the corporate value and the common interests of shareholders

The Plan serves as a framework designed to ensure and enhance the corporate value of the Company and eventually the common interests of its shareholders, if a Large-scale Purchase of the Company's share certificates, etc., is made, by ensuring the necessary information and sufficient time to allow the shareholders to make informed decisions about whether to accept such Large-scale Purchase or to allow the Board of Directors of the Company to make an alternative proposal (if any), and by providing opportunities for the Company to negotiate with the Offeror on behalf of the shareholders, thereby contributing to the realization of the Basic Policies.

- (2) Satisfying the requirements of the guidelines for takeover response policy
- 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 published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005: (i) Principle of protecting and enhancing corporate value and shareholders' common interests, (ii) Principle of prior disclosure and shareholders' will, and (iii) Principle of ensuring the necessity and reasonableness.
- The Plan has been formulated in accordance with the provisions of the "Principle 1.5 Anti-Takeover Measures" of the "Corporate Governance Code," which was introduced by the Tokyo Stock Exchange on June 1, 2015, and revised on June 1, 2018, and June 11, 2021, respectively, 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. As a result, the Company has concluded that continuing the Plan is the best course of action.
- (3) Disclosing information in advance and respecting the will of shareholders
- The Company discloses the Plan in advance to enhance predictability for its shareholders, investors, and the Offeror, and to ensure that its shareholders have the opportunity to make informed decisions. The Company will continue to disclose information in a timely and appropriate manner as necessary, in accordance with applicable laws and regulations and the rules specified by the relevant financial instruments exchange.
- Furthermore, the Plan will take effect only if it is approved by the shareholders at this Annual General Meeting of Shareholders. The Plan shall be abolished in accordance with any resolution to that effect passed by the Board of Directors, which is composed of Directors elected at the Company's General Meeting of Shareholders, even before the expiration of its effective period. In this regard, the will of shareholders is reflected in both the continuation and the abolishment of the Plan.
- In addition, under certain circumstances, the Company's Board of Directors has decided to confirm the will of shareholders regarding whether or not to invoke the Plan at a General Meeting to Confirm the Will of Shareholders.
- For these reasons, the Plan places the utmost importance on the will of shareholders.
- (4) Respecting the judgments of independent Outside Directors, external experts, etc. and obtaining opinions from third-party experts
- When invoking the Plan, it is mandatory to seek advice from the Independent Committee, which is composed of the Company's Outside Directors, who are independent of the Company's management team, and/or external experts.
- Furthermore, to ensure that the Independent Committee's decisions contribute to ensuring and enhancing the Company's corporate value and the common interests of its shareholders, the Committee may receive advice from external experts at the expense of the Company, thereby further ensuring the fairness and objectivity of its decisions.
- (5) Establishing reasonable and objective requirements
- As described in (e) under 2. (1) "Procedures for invoking the Plan" and 2.(2) "Requirements for invocation of Countermeasures" above, the Plan has been designed so that it will not be invoked unless it satisfies reasonable and objective requirements, and ensures a structure to eliminate arbitrary invocation by the Company's Board of Directors.
- (6) No dead-hand or slow-hand takeover response policies
- The Plan has been designed so that it may be abolished by a Board of Directors, which is composed of Directors elected at a General Meeting of Shareholders of the Company based on a nomination from a person or entity who has acquired a large number of the Company's share certificates, etc. Therefore, the Plan is not a dead-hand takeover response policy (a takeover response policy in which even if a majority of the members of the Board of Directors are replaced, the activation of the measure cannot be prevented). In addition, the Plan is neither a slow-hand takeover response policy (a takeover response policy that takes time to prevent the invocation due to the fact that the members of the Board

of Directors cannot be replaced all at once) because the terms of office of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) is one year, the terms of office of Directors who are Audit and Supervisory Committee members is two years (provided, however, that the term of office of a Director who is an Audit and Supervisory Committee Member elected as a substitute for a Director who is an Audit and Supervisory Committee Member who retired before the expiration of his/her term of office shall expire at the time of expiration of the term of office of the retired Director who is an Audit and Supervisory Committee Member.), and the Company does not adopt staggered terms of office.

Flowchart of the Countermeasures Against Large-scale Purchase of  
Share Certificates, Etc. of the Company



- Note 1. If the Offeror complies with the procedures specified in the Plan, the Company shall, in principle, resolve not to invoke Countermeasures.
- Note 2. A General Meeting to Confirm the Will of Shareholders is convened as soon as possible if the Independent Committee has given a statement that the Board of Directors should obtain approval for invoking Countermeasures from shareholders at a General Meeting, or advised the Board of Directors to confirm the will of shareholders regarding the Large-scale Purchase by the Offeror, or if the Board of Directors of the Company, taking account of the time needed to hold a General Meeting of Shareholders, decides that it is appropriate to confirm the will of shareholders in light of the duty of due care of a prudent manager.
- Note 3. If the Offeror does not comply with the procedures specified in the Plan, the Company shall, in principle, resolve to invoke Countermeasures.
- Note 4. This flowchart omits details for the purpose of clear illustration of the overall procedures that pertain to the Plan. Please refer to the text in this document for detailed descriptions of the Plan.

## Summary of the Rules of the Independent Committee

- The Independent Committee is established by a resolution of the Board of Directors of the Company.
- The Independent Committee shall consist of at least three members, who are independent of the Company's management team that executes the Company's business operations. The Board of Directors of the Company appoints the Committee members from among (i) the Company's Outside Directors or (ii) outside experts. Note that these experts must be experienced corporate managers, persons or entities from a government agency, persons or entities familiar with investment banking or the Company's business areas, lawyers, certified public accountants, or researchers or any equivalents whose main research subject is the Companies Act or other relevant laws, and must enter into an agreement with the Company that contains a provision on the duty of due care of a prudent manager or any other relevant provisions. The agreement is separately designated by the Board of Directors of the Company.
- The term of office of the Independent Committee members shall begin at the conclusion of this General Meeting and expire at the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within three years after the conclusion of this General Meeting. Note that this shall not apply if otherwise determined by a resolution of the Board of Directors of the Company. If a member of the Independent Committee who is an Outside Director of the Company ceases to be a Director of the Company (except in the case of reappointment), his/her term of office as a member of the Independent Committee shall also end at the same time.
- The Independent Committee may decide on the matters described in the items below and provide the decision and the reason for it to the Board of Directors of the Company as its advice. The Board of Directors of the Company promptly adopts a resolution as an organ that abides by the Companies Act, honoring the advice from the Independent Committee to the fullest extent (note that, if a General Meeting to Confirm the Will of Shareholders is held, the Board abides by a resolution passed by this General Meeting). When making a decision on any of these matters, members of the Independent Committee are required to base their decision solely on whether it will contribute to the corporate value of the Company and the common interests of shareholders. They must not make any decision that is meant to serve their personal interests or those of the management team of the Company.
  - (i) Whether or not to allot the Share Acquisition Rights without contribution or invoke other measures that are allowed under the laws and regulations and the Articles of Incorporation of the Company
  - (ii) Confirmation of the will of shareholders regarding a Large-scale Purchase by an Offeror
  - (iii) Cancellation of allotment of the Share Acquisition Rights without contribution or acquisition of the Share Acquisition Rights without contribution
  - (iv) Decision as to whether a Large-scale Purchase is subject to the Plan
  - (v) Decision as to which information an Offeror and the Board of Directors of the Company should provide to the Independent Committee, and the deadline for the provision
  - (vi) Examination and review of details of a Large-scale Purchase by an Offeror
  - (vii) Discussions and negotiations with an Offeror
  - (viii) Request for submission of an alternative proposal by the Board of Directors of the Company; review of an alternative proposal
  - (ix) Decision to extend the Board of Directors Review Period
  - (x) Decision as to whether a General Meeting to Confirm the Will of Shareholders should be convened; decision on the objectives of the General Meeting if it is to be convened
  - (xi) Approval pertaining to amendment or revision of the Plan
  - (xii) Matters that the Plan specifies that the Independent Committee may do
  - (xiii) Matters on which the Board of Directors or Representative Director of the Company may separately consult the Independent Committee, or matters that the Independent Committee may separately do
- To collect necessary information, the Independent Committee may request the attendance of Directors, Audit & Supervisory Board Members, Executive Officers, and/or employees of the Company or the Group companies, and/or any persons or entities whom the Independent Committee recognizes to be necessary, so that the Committee may ask them to provide an explanation about a matter on which the Committee needs clarification.
- The Independent Committee may receive advice from experts (including financial advisors, certified public accountants, lawyers, tax accountants, consultants, and other relevant experts), among others, at the expense of the Company.
- Members of the Independent Committee may call for an Independent Committee meeting if a Large-scale Purchase is done, or any time as needed.
- As a rule, a resolution of the Independent Committee is adopted by a simple majority at a meeting attended by the majority of the Independent Committee members (including those who attend by phone or video).

## Independent Committee Members - Career Summaries

The following four are scheduled to become members of the Independent Committee when the Plan continues.

Name (Date of Birth)	Career Summary	
Naruhiko Takatsuji (October 4, 1977)	Apr. 2000	Joined the Ministry of Economy, Trade and Industry
	June 2007	Joined M&A Advisory Services Department of Sumitomo Mitsui Banking Corporation
	July 2009	Analyst at Toward the Infinite World, Inc.
	June 2011	In Charge of Public Relations and IR of General Administration Department of Nabtesco Corporation
	Jan. 2013	Senior Analyst at Analysis Team of Uzabase, Inc.
	May 2014	Senior Analyst at Ichiyoshi Securities Co., Ltd. (Seconded to ICHIYOSHI RESEARCH INSTITUTE INC.)
	July 2020	Senior Economist and Senior Analyst at Information Distribution Section of FISCO Ltd.
	Apr. 2021	Part-time Lecturer at Department of Business Law, Graduate School of Law, Aoyama Gakuin University
	Apr. 2021	Visiting Researcher at Tama University Center for Social Investment
	June 2021	Outside Director of the Company (incumbent)
	June 2021	Outside Director (Audit and Supervisory Committee Member) of YAMASHIN-FILTER CORP.
	Jan. 2022	Visiting Professor at Professional University of Information and Management for Innovation
	Feb. 2022	Founded Japan Governance & Valuation Institute, Director and Economic Analyst (incumbent)
	Apr. 2022	Part-time Lecturer at Faculty of Liberal Arts and Sciences, Tokyo City University
	June 2022	Chairperson of the Board of Directors of the Company
June 2022	Outside Director of NITTOKU CO., LTD.	
Apr. 2024	Associate Professor at Faculty of Business Administration, Mejiro University (incumbent)	
Apr. 2025	Associate Professor at Graduate School of Business Administration, Mejiro University (concurrent position) (incumbent)	
Tomoo Suzuki (January 31, 1958)	Apr. 1982	Joined NEC Corporation
	Oct. 2003	General Manager of Accounting Department of Personal Solution Planning Headquarters of NEC Corporation
	July 2008	Seconded to NEC TOSHIBA Space Systems, Ltd. as Supervisory Manager and General Manager of Business Planning Department
	Oct. 2011	General Manager of Management Planning Department of NEC TOSHIBA Space Systems, Ltd.
	June 2012	Full-time Audit & Supervisory Board Member of Nippon Avionics Co., Ltd.
	June 2020	Advisor of Nippon Avionics Co., Ltd.
	June 2021	Outside Director (Audit and Supervisory Committee Member) of the Company (incumbent)

Name (Date of Birth)	Career Summary	
Mariko Ohsato (April 22, 1963)	Apr. 1986	Joined IBM Japan Ltd.
	June 1992	Earned Master of Business Administration (MBA) from Kellogg School of Management, Northwestern University
	Sep. 1992	Joined Uniden Corporation (currently Uniden Holdings Corporation)
	June 1997	Director of IDS Corporation
	July 2005	Established Arc Communications Inc., Representative Director (incumbent)
	June 2016	Director of Public Relations Society of Japan
	Apr. 2018	Part-time Lecturer at Department of Sport Sciences, Waseda University
	Apr. 2019	Vice President of Japan Orienteering Association
	Sep. 2020	Outside Director of Uniden Holdings Corporation
	Nov. 2021	Outside Director (Audit and Supervisory Committee Member) of Uniden Holdings Corporation
	June 2022	Outside Director of the Company (incumbent)
	June 2022	Director of Japan Rowing Association (incumbent)
	June 2023	Outside Director of Nihon M&A Center Holdings Inc.
	June 2023	Director of Baseball Federation of Japan (incumbent)
	June 2024	Chairperson of the Board of Directors of the Company (incumbent)
Chie Tabata (July 19, 1975)	Apr. 1998	Joined Merrill Lynch Japan Securities Co., Ltd.
	Dec. 2009	Registered as an attorney at law
	Jan. 2010	Joined Hayabusa Asuka Law Offices
	June 2015	Joined Atsumi & Sakai
	June 2016	Outside Audit & Supervisory Board Member of C'BON COSMETICS Co., Ltd.
	Nov. 2021	Joined the Law Office of Yohei Suda
	Feb. 2022	Partner of Tsubame Law Offices (incumbent)
	Nov. 2022	Outside Director (Audit and Supervisory Committee Member) of Francfranc Corporation
June 2023	Outside Director (Audit and Supervisory Committee Member) of the Company (incumbent)	

Note 1. There is no business relationship or special interest between these four prospective members and the Company.

Note 2. The Company has notified the Tokyo Stock Exchange (TSE) of Mr. Takatsuji, Mr. Suzuki, Ms. Ohsato, and Ms. Tabata as independent officers in accordance with the rule specified by the TSE.

## Major Shareholders of the Company

As of March 31, 2026, the Company's major shareholders are as follows.

Shareholder name	Number of shares held (shares)	Shareholding ratio (%)
MT Kosan Co., Ltd.	3,804,900	13.81
MISUMI Group Inc.	3,000,000	10.89
CLEARSTREAM BANKING S.A.	2,412,400	8.76
Tachibana Securities Co., Ltd.	1,262,600	4.58
Masatoshi Ohata	909,700	3.30
Tetsuji Morikubo	673,600	2.44
Punch Industry Employees' Stock Ownership Association	666,490	2.42
Yuji Morikubo	663,000	2.40
JP JPMSE LUX RE JEFFERIES INTL LTD EQ CO	650,000	2.36
Michiko Kamba	431,000	1.56

Note: The shareholding ratio is calculated after deducting treasury shares (86,281 shares).

## Identification Criteria for Joint and Concerted Action, Etc.

- \* The identification shall be made by the method of comprehensive determination, taking into account, in addition to the factors set forth in the items below, whether there are direct or indirect facts that suggest that there has been “no” communication of intent between the subject of the identification (including such subject’s parent company, subsidiaries, and other entities that are to be viewed as equivalent to the subject of the identification; hereinafter referred to as “Identification Subject”) and specified shareholders of the Company.
  - \* Hereinafter, the term “specific shareholder of the Company” shall include the parent company and subsidiaries of the specific shareholder (together with the specific shareholder, hereinafter referred to as the “Specific Shareholder Group”), as well as officers and major shareholders of the Specific Shareholder Group.
- 1) Whether the timing of the Identification Subject’s acquisition of the Company’s share certificates, etc. overlaps with the timing of the timing of actions taken by the specific shareholder of the Company aimed at a takeover, such as the acquisition of the Company’s share certificates, etc. or the making of a material proposal.
  - 2) Whether the number of acquired share certificates, etc. of the Company by the Identification Subject has reached a significant amount.
  - 3) Whether the timing of commencement of acquisition of the Company’s share certificates, etc. by the Identification Subject is close to the timing of the specific shareholder commencing actions aimed at a takeover of the Company (such as beginning to acquire the Company share certificates, etc., or expressing the intent to acquire management control over the Company or make a material proposal, etc.), or close to an event related to the specific shareholder’s actions, such as the record date for a General Meeting of Shareholders that includes an agenda item related to the Plan.
  - 4) Whether, during periods when trading of the Company’s share certificates, etc. is abnormal (for example, when trading volume is significantly higher than the average trading volume, or when the share price is significantly higher than the average share price of the preceding period), there are any commonalities between the Identification Subject and the specific shareholder regarding the timing and nature of the acquisition of the Company’s share certificates, etc. (for example, whether margin buying is being utilized), such as the Identification Subject acquiring the Company’s share certificates, etc. at the same time as the specific shareholder.
  - 5) Whether the Identification Subject has ever acquired share certificates, etc. of other listed companies that the specific shareholder has acquired (or previously acquired), and whether the timing of such acquisition and the holding period overlap with those of the specific shareholder.
  - 6) Whether, during the overlapping period described in item 5 above, the exercise of shareholder rights (common interest rights) by the Identification Subject in such other listed companies (other listed companies in which the Subjects of Recognition were shareholders together with the specific shareholder) was in concert with that of the specific shareholder. If so, to what extent the exercise by the Identification Subject was in concert with that of the specific shareholder, considering the type and details of those shareholder rights and the results of their exercise.
  - 7) Whether, as a result of the exercise of voting rights or other common benefit rights by the Identification Subject and the specific shareholder in such other listed companies described in item 5 above (as well as shareholders other than the Identification Subject who exercised their voting rights or other common interest rights in concert with the specific shareholder, if any), if any director or other officer is elected or dismissed, any likelihood of damage to the corporate value or shareholder value of such other listed companies arises during the term of office of officers after such change (for example, occurrence of an event that constitutes or is likely to constitute a material violation of laws and regulations, delisting, designation as a security requiring enhanced disclosure, bankruptcy or other legal insolvency procedures, or issuance of shares or share acquisition rights resulting in large-scale dilution). If so, the degree of the likelihood of damage to corporate value or shareholder value.
  - 8) Whether there is, or was, any direct or indirect capital relationship or loan/borrowing relationship between the Identification Subject and the specific shareholder.
  - 9) Whether, between the Identification Subject and the specific shareholder, there is, or was, a direct or indirect relationship of concurrent service of officers (any person or entity deemed to have control equivalent to that of an officer), familial relationship (including common-law marriage and other comparable relationship; the same shall apply hereinafter), business relationship, or personal relationship formed through a shared alma mater or other community affiliation, or a personal relationship such as one that is formed by the fact that one person or entity is, or was, an employee, partner or member of the other person or entity.

- 10) Whether the exercise of shareholder rights (common interest rights) by the Identification Subject in the Company was in concert with that of the specific shareholder. If so, to what extent the exercise by the Identification Subject was in concert with that of the specific shareholder, considering the type and details of those shareholder rights and the results of their exercise. (Note that this item 10 shall not be used as the sole basis for identifying a “relationship between the specific shareholder and the other shareholder wherein one party substantially controls the other, or wherein they act jointly or in concert” or a “person or entity who is substantially controlled by such parties or acts jointly or in concert with them.”).
- 11) Whether the behavior etc. of the Identification Subject related to the business or management policy of the Company is similar to that of the specific shareholder. If so, the degree of similarity in light of the timing and details of such behavior etc. (Note that this item 11 shall not be used as the sole basis for identifying a “relationship between the specific shareholder and the other shareholder wherein one party substantially controls the other, or wherein they act jointly or in concert” or a “person or entity who is substantially controlled by such parties or acts jointly or in concert with them.”).
- 12) Whether the Identification Subject’s agent or advisor belongs or belonged to the same office, corporation, or organization as the specific shareholder; has a business alliance; has worked together on similar matters; has a familial relationship or other personal relationship with the specific shareholder; and/or has any other relationship which facilitates communication of intent with the specific shareholder (whether direct or indirect).
- 13) Whether there are any other direct or indirect facts that suggest that the Identification Subject has communicated its intent to the specific shareholder.