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May 23, 2025

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Continuation of the Countermeasures for Large-scale Acquisition of the Company's Shares (Takeover Response Policy)

NIPPON CONCRETE INDUSTRIES CO., LTD. (the "Company") has adopted a plan for countermeasures for large-scale acquisition of the Company's shares (takeover defense measures) (hereinafter referred to as the "Plan"), which was approved by shareholders at the 91st Annual General Meeting of Shareholders held on June 29, 2022. The effective period of the Plan is until the conclusion of the Company's Annual General Meeting of Shareholders for the 94th fiscal year scheduled to be held on June 27, 2025 (hereinafter referred to as "this Annual General Meeting of Shareholders").

Prior to the expiration of the Plan, the Company's Board of Directors, at a meeting held on May 23, 2025, resolved that, subject to the approval of shareholders at this Annual General Meeting of Shareholders, the Company has decided to continue the Plan as described below as a measure to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate in light of the basic policy regarding the persons who control decisions on the Company's financial and business policies (as defined in the main clause of Article 118, Item 3 of the Regulations for Enforcement of the Companies Act; hereinafter referred to as the "Basic Policy"). In continuing the Plan, in light of recent court precedents and trends in practice, the following changes have been made to the Plan: 1) addition of additional purchases, etc., to be subject to the Plan; 2) establishment of a maximum period for the Independent Committee to collect and review information; and 3) in implementing the gratis allotment of share acquisition rights in accordance with the Plan, a General Meeting of Shareholders shall, in principle, be held to ensure that the implementation is based on the rational intent of shareholders.

At the above-mentioned meeting of the Company's Board of Directors held on May 23, 2025, the

continuation of the Plan was unanimously approved and adopted by the Directors present, including three (3) Independent Outside Directors. In addition, all of the Audit & Supervisory Board Members, including the Outside Audit & Supervisory Board Members, expressed their support for the Plan and raised no objection to its continuation.

I. Basic policy regarding the persons who control decisions on the Company's financial and business policies

The Company believes that persons who control decisions on the Company's financial and business policies should understand the source of the Company's corporate value, and be persons who enable the Company to continuously and sustainably secure and enhance the corporate value and, in turn, the common interests of its shareholders.

The Company believes that in the event of a takeover bid involving a transfer of control of the Company, the decision should ultimately be based on the will of the shareholders as a whole. In the event of a large-scale purchase of the Company's shares, the Company will not reject such purchase if it contributes to securing and enhancing the Company's corporate value and, in turn, the common interests of its shareholders. However, some large-scale purchases of shares may not contribute to the corporate value of the target company or the common interests of its shareholders, such as those that, in terms of their purpose, cause obvious harm to corporate value and the common interests of shareholders, those that effectively force shareholders to sell their shares, those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the terms of the large-scale purchase or for the target company's board of directors to propose an alternative proposal, or those that require the target company to negotiate with the purchaser to obtain more favorable terms than those offered by the purchaser.

The sources of the Company's corporate value are 1) the comprehensive technological capabilities, manufacturing and construction technologies and know-how related to concrete products, production facilities and environment-related engineering that the Company has accumulated over the years as a leading concrete pole manufacturer; 2) the ability to ensure stable supply of high-quality products and construction, underpinned by the technological capabilities described in 1) above; 3) the established nationwide manufacturing and sales network of the NC Group, which consists of the Group and the companies to which the Company provides manufacturing and construction technologies; 4) solid relationships of trust built over many years with suppliers, customers, and all other business partners; and 5) employees with the experience and know-how to support and improve the technological capabilities mentioned in 1) and 2) above. Unless the purchaser of the Company's shares understands these sources of the Company's corporate value and is able to secure and enhance them 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 it is necessary to secure the Company's corporate value and, in turn, the

common interests of its shareholders by taking necessary and appropriate countermeasures for such abusive takeover attempts.

II. The sources of the Company's corporate value and special initiatives contributing to realization of the basic policy

1. The sources of the Company's corporate value

Since the invention of the “NC type” steel wire concrete pole in 1951, the Company has consistently focused on the material of concrete as the core of its business, and we take pride in our ability to ensure consistently reliable technology and quality-oriented management. In the history of the Company, which celebrated its 70th anniversary in August 2018, we have been committed to the ceaseless R&D of not only concrete poles but also concrete piles (foundation piles), precast concrete (PC) walls (earth retaining products), which are our original products, and precast products. One of the clearest examples of our efforts is our use of uniquely strong steel materials that offer higher strength than those used by competitors, while also achieving superior cost performance. Not only in product development but also in construction using concrete piles, etc., we emphasize the development of low-noise, low-vibration methods that do not require removal of a large quantity of earth and are environmentally friendly, offering economy and technical reliability, which we have cultivated. We are also developing environment-related technologies that contribute to CO₂ emissions reduction. Our approach to product development helps us to earn the trust of our customers.

As described in the Company's corporate philosophy, “We contribute to a safe, secure, and affluent society through concrete.”, we believe that supplying high-quality, environmentally friendly products to the market based on the technology and expertise we have accumulated over many years of involvement in various infrastructure projects in Japan and the strong relationships of trust we have established with our business partners, as well as meeting social and customer needs, will lead to the securing and enhancement of corporate value and, in turn, of the common interests of our shareholders.

We believe that the sources of the Company's corporate value lie in the following specific points.

As a pioneer in the development of concrete poles, we have continued to improve our products and manufacturing technology by reviewing the steel materials used, developing aesthetically pleasing false wood poles, and developing flange poles and COP (cap on pole) to comply with laws and regulations for transporting long objects and to meet customer needs concerning narrow and crowded spaces. As a longstanding supplier of high-quality poles such as poles for power lines, telecommunication lines, electric railroads, and mobile phone base stations, we have been highly regarded by our customers. In the field of concrete piles, we have

been earnestly working on product development by constantly making improvements to meet customer needs, starting with the development of NCS-PC piles, followed by the development of high-strength ONA piles and ultra-high-strength piles such as ONA123 piles. Meanwhile, in construction methods centering on pile driving, where we generally take responsibility until construction, we are actively working to develop construction technologies to make the best use of our products.

In addition to the NAKS method, which is a pioneering method for inner boring, and the RODEX method, which pursues construction accuracy and economy, we also offer the Hyper-NAKS II method, which further enhances the performance of the NAKS method, and cutting-edge high-bearing-capacity piling method, such as the Hyper-straight method, which improves construction management performance to meet the needs of society and customers. We provide construction methods for various types of ground such as soft ground, including ground improvement, and pursue economic efficiency in the treatment of pile joints to meet the needs of society and customers. Furthermore, we have developed PC walls that enable speedy construction of retaining walls and seawalls by utilizing our concrete pile manufacturing technology. We believe that the manufacturing and construction technologies, know-how, and human resources related to concrete secondary products that we have accumulated through these initiatives over many years are extremely important for maintaining and improving the Company's corporate value.

Since 1953, shortly after its foundation, the Company has been licensing its manufacturing technology for concrete poles to nine manufacturing companies in Japan free of charge. These licensees are collectively named the "NC Group." The aim was to promote the NC brand nationwide and to meet the increasing demand for poles in Japan, where there was a national policy of replacing wooden poles with concrete ones, and the Company accorded priority to responding to domestic infrastructure development. Since then, under the NC Group's shared sense of mission—not only to contribute to society but also to support the development of these companies and technologies, benefit customers, and stabilize employee livelihoods—we have built strong relationships with these companies through technical, personnel and capital exchanges. As a result, we have maintained an overwhelming share and competitiveness in the concrete pole field in Japan. The NC Group has also expanded through the Company's subsequent licensing of concrete pile manufacturing technology to 13 manufacturing companies, including the nine mentioned above, establishing a strong cooperative structure in terms of manufacturing and supply.

Maintaining strong relationships with these NC Group companies is essential to enhancing the Company's corporate value.

We believe that fully understanding the above-mentioned sources of the Company's corporate value, as well as continuous investment of management resources and development

of proprietary technologies from a long-term perspective, will lead to steady enhancement of these sources, which will enhance the trust of our stakeholders and lead to the securing and enhancement of the Company's corporate value and, in turn, of the common interests of our shareholders.

2. Initiatives to secure and enhance the Company's corporate value and common interests of shareholders

The Company's basic management strategy is to ensure business continuity and stable earnings as well as to increase corporate value, by responding promptly to changes in the business environment. Specifically, in the "2024 Medium-term Management Plan" disclosed in May 2024 as its medium- to long-term management strategy, the Company identified its medium- to long-term vision, "safeguarding future social infrastructure and the global environment," and its management policy, "creating new value and contributing to a sustainable society through Group transformation and sustainable growth." The Company is striving to enhance corporate value through sustainable growth by strengthening its existing businesses and achieving growth in the civil engineering and environmental fields.

In the Foundation Business, we will strive to expand sales of differentiated products and construction methods, deepen our construction capabilities and expand the scope of our business by expanding into businesses related to concrete piles, and promote market- and customer-oriented business transformation. In addition to strengthening our ability to propose designs and order-taking activities, we aim to enhance competitiveness by improving construction efficiency and quality and developing technologies and build a stable earnings base.

In the Pole-related Business, we will work to improve the construction system and enrich the product lineup to expand the engineering business, and also promote swift product development to accurately respond to customer needs so as to make further progress as a leading company.

In the Civil Engineering Product Business, we aim to contribute to a safe and secure future society by providing new value through our entry into the infrastructure maintenance market, including the fields of disaster prevention/mitigation, disaster recovery and repair. In addition, we will establish a business foundation by developing applications and expanding sales of PC walls and other proprietary products.

With regard to our initiatives in the environmental business, we aim to achieve our goal of net zero CO₂ emissions by 2024, the 100th anniversary of the Company's founding, by further developing green products that utilize CO₂ fixation technology and promoting joint research on reducing environmental impacts, including industry-academia collaboration, in order to realize a decarbonized society.

To strengthen the management foundation, while promoting the development of diverse values and the improvement of workplace environments, we will also promote the development of organizations and people that create added value for sustainable growth to maximize the value of our human resources. In addition, as well as striving to ensure appropriate business operations throughout the Group by further promoting corporate ethics and compliance awareness, we will enhance productivity through the sophistication of group management to strengthen group governance. Regarding the financial strategy, while seeking continuous improvement of profitability, we also aim to improve capital efficiency through reduction of cross-shareholdings and other measures. By promoting in-depth sustainable management and stable shareholder returns, we aim to enhance corporate value. In order for the Group to continuously enhance its corporate value, we believe it is extremely important to conduct management that emphasizes long-term relationships of trust with stakeholders, including essential business partners, in order to realize our corporate philosophy, “We contribute to a safe, secure, and affluent society through concrete,” which is the foundation of our management plan.

3. Strengthening corporate governance

In December 2015, the Company established the “Corporate Governance Policy” in order to maintain and develop a relationship of trust with various stakeholders, including shareholders, as well as to achieve the Company’s sustainable growth and enhance corporate value over the medium to long term. In June 2021, the Company revised this policy.

In accordance with this policy, and based on the corporate philosophy described above and our code of conduct, we are working to maintain good and smooth relationships with stakeholders other than shareholders, namely employees, customers, business partners, society and local communities, while establishing relevant rules to ensure that the rights of shareholders are fully secured and equality is maintained.

Moreover, the Company clearly defines the responsibilities and roles of Directors and the Board of Directors, and Audit & Supervisory Board Members and the Audit & Supervisory Board, and establishes policies and procedures for nominating candidates for Directors and Audit & Supervisory Board Members. In particular, for the appointment of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members, the Company nominates candidates who meet its own criteria in addition to the independence standards of the Tokyo Stock Exchange. Furthermore, training opportunities are provided for Directors and Audit & Supervisory Board Members upon appointment and thereafter as necessary to ensure that they are able to properly fulfill their roles and responsibilities. In August 2018, the Company established the Nomination Committee, which is chaired by an Independent Outside Director and a majority of whose members are Independent Outside Officers, as an advisory committee

to the Board of Directors to consider and report on such matters as the selection and dismissal of Directors. Regarding remuneration of Directors, in March 2017, the Company established the Remuneration Committee a majority of whose members are Independent Outside Directors, and since June 2021, the committee has been chaired by an Independent Outside Director to deliberate on the remuneration of Directors. The Company has also introduced performance-linked compensation and a trust-based share grant system to enhance their motivation to achieve better performance over the medium to long term and awareness about their contribution to increasing shareholder value.

The Company believes that strengthening corporate governance through the above initiatives will enhance the Group's corporate value and, in turn, the common interests of its shareholders

III. Purpose of the Plan and its details

1. Purpose of the Plan

The Plan is to be introduced in accordance with the Basic Policy described in I. above for the purpose of securing and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders.

As stipulated in the Basic Policy, the Company's Board of Directors believes that a person who conducts a large-scale purchase that does not contribute to the corporate value of the Company or the common interests of its shareholders is inappropriate as a person who controls decisions on the Company's financial and business policies. In order to prevent decisions on the Company's financial and business policies from being controlled by such inappropriate persons and to deter large-scale purchases of the Company's shares that would be detrimental to the Company's corporate value and, in turn, the common interests of its shareholders, the Company has decided to continue the Plan as a framework that enables the Company's Board of Directors to propose an alternative proposal to the shareholders, to secure the information and time necessary for the shareholders to decide whether or not they should accept such large-scale purchase, and to negotiate on behalf of the shareholders.

At this point in time, the Company has not received any notification or proposal from a specified third party regarding a large-scale acquisition. The status of the Company's major shareholders as of March 31, 2025 is as shown in Appendix 1, "Status of Major Shareholders of the Company (as of March 31, 2025)."

2. Outline of the Plan

The Plan prescribes the procedures necessary to realize the above objectives, such as requiring

a purchaser to provide information in advance in the event of the emergence of a person who intends to acquire 20% or more of the Company's share certificates, etc.

In accordance with the procedures under the Plan, a purchaser may make a large-scale purchase of the Company's share certificates, etc. only after a decision by the Company's Board of Directors or the General Meeting of Shareholders of the Company not to trigger the Plan.

In the case that the purchaser does not follow the procedures prescribed in the Plan, that the large-scale purchase of the Company's share certificates, etc. is likely to damage the Company's corporate value and, in turn, the common interests of its shareholders, or other cases and when the prescribed requirements for triggering the Plan are satisfied, the Company shall allot share acquisition rights to all shareholders other than the Company at that point in time by the method of gratis allotment of share acquisition rights, with the exercise condition that the exercise of the rights by the purchaser, etc. is not permitted in principle and the acquisition condition that the Company may acquire the share acquisition rights in exchange for the Company's shares from persons other than the purchaser, etc. If the Company's shares are delivered to shareholders other than the purchaser as a result of the gratis allotment of share acquisition rights in accordance with the Plan and their exercise or acquisition by the Company, the ratio of voting rights held by the purchaser in the Company may be diluted to a maximum of 50%.

In order to eliminate arbitrary decisions by Directors, the Company has established an Independent Committee consisting solely of Outside Directors, etc., who are independent of the Company's management, to make objective decisions regarding the implementation, non-implementation, or acquisition of share acquisition rights in accordance with the Plan. In addition, in cases that the Board of Directors implements gratis allotment of share acquisition rights in accordance with the Plan, the Board of Directors will, in principle, confirm the intent of the shareholders regarding the implementation of the gratis allotment of share acquisition rights, by holding a General Meeting of Shareholders.

The process of these procedures will be disclosed to shareholders as appropriate to ensure transparency.

3. Details of the Plan (measures to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate in light of the Basic Policy)

(1) Procedures for triggering the Plan

(a) Subject purchases, etc.

The Plan shall apply to cases where a purchase or other acquisition of the Company's share certificates, etc., or any similar action that falls under 1) or 2) below is made or cases

where such proposals¹ (excluding those separately approved by the Company's Board of Directors not to apply the Plan, and hereinafter referred to as the "Purchase, etc.") are made.

- 1) With respect to share certificates, etc.² issued by the Company, a purchase or other acquisition that would result in the holder³'s holding ratio⁴ amounting to 20% or more of the share certificates, etc.
- 2) With respect to share certificates, etc.⁵ issued by the Company, a tender offer⁶ that would result in the total of the holding ratio⁷ of share certificates, etc. of the person making the tender offer and the holding ratio of share certificates, etc., of parties specially related (specially related parties⁸) with the person making the tender offer amounting to 20% or more
- 3) Regardless of whether or not each of the actions specified in 1) or 2) above is carried out, an agreement or action taken by a specified shareholder of the Company with another shareholder of the Company (including multiple shareholders; the same shall apply hereinafter in this item 3)) that results in the said other shareholder becoming a joint holder of the said specified shareholder, or an action⁹ that establishes a relationship¹⁰ between the said specified shareholder and the said other shareholder in which one substantially controls the other or in which both parties act jointly or in concert (However, this is limited to cases where the total percentage of share

¹ Including soliciting a third party to make a purchase.

² As defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply unless otherwise specified in this document.

³ Including those who are included in the holders pursuant to Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act (including those who are deemed to fall under this category by the Company's Board of Directors). The same shall apply throughout this document.

⁴ As defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply throughout this document.

⁵ As defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act.

⁶ As defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act. The same shall apply throughout this document.

⁷ As defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply throughout this document.

⁸ As defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including those who are deemed to fall under this definition by the Company's Board of Directors). However, with respect to the persons specified in item 1 of the same paragraph, those specified 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. The same shall apply throughout this document.

⁹ The decision as to whether or not the action specified in 3) above has been taken shall be made by the Company's Board of Directors in a reasonable manner based on the recommendation of the Independent Committee. The Board of Directors and the Independent Committee may request the Company's shareholders to provide necessary information to the extent necessary to determine the applicability of the requirements specified in 3) above.

¹⁰ Determination as to whether "an agreement is formed or other action is taken that results in the said other shareholder becoming a joint holder of the said specified shareholder, or an action to establish a relationship between the said specified shareholder and the said other shareholder in which one substantially controls the other or in which both parties act jointly or in concert" shall be made in accordance with the criteria provided in Appendix 2. The criteria provided in Appendix 2 may be changed to a reasonable extent from time to time by the decision of the Independent Committee based on amendments to laws and regulations or trends in court precedents.

certificates, etc. held by the said specified shareholder and the said other shareholder with respect to share certificates, etc. issued by the Company is 20% or more.)

Any person who intends to make a Purchase, etc. (hereinafter referred to as the "Purchaser, etc.") shall follow the procedures set forth in the Plan and shall not make the Purchase, etc. until the Company's Board of Directors or the General Meeting of Shareholders of the Company resolves not to implement the gratis allotment of share acquisition rights in accordance with the Plan.

(b) Submission of the letter of intent

Prior to commencing or executing the Purchase, etc., the Purchaser, etc. shall submit to the Company, in a form separately prescribed by the Company, a document (signed or stamped with a name and seal by a representative of the Purchaser, etc.) containing a covenant to comply with the procedures of the Plan and a certificate of qualification of the representative who has signed or stamped such name and seal (hereinafter collectively referred to as the "Letter of Intent"). The Letter of Intent shall contain the name and address of the Purchaser, etc., its principal place of business or office, the governing law of the country in which the Purchaser, etc., is incorporated, the name of the Purchaser's representative, the Purchaser's contact details in Japan, an outline of the proposed Purchase, etc. The language to be used in the Letter of Intent and the purchase statement set forth in (c) below shall be Japanese only.

(c) Request to the Purchaser, etc. for provision of information

The Company will deliver to the Purchaser, etc. the form of the purchase statement (defined below) (including a list of information to be provided by the Purchaser, etc. to the Company) within 10 business days of receipt of the Letter of Intent. The Purchaser, etc. shall submit to the Company's Board of Directors a document (hereinafter collectively referred to as the "Purchase Statement") containing the information specified in each of the items below (hereinafter referred to as the "Necessary Information"), etc.

Upon receipt of the Purchase Statement, the Company's Board of Directors shall promptly submit it to the Independent Committee (The Independent Committee shall be established pursuant to a resolution of the Company's Board of Directors. The criteria for appointing members of the Independent Committee, requirements for resolutions, matters to be resolved, etc. are set forth in Appendix 3, "Summary of Independent Committee Rules," and the brief personal history of the members of the Independent Committee at the time the Plan was initially continued is as described in Appendix 4, "Independent Committee Member Biography.") If the Independent Committee determines that the information

contained in such Purchase Statement is insufficient as the Necessary Information, it may request the Purchaser, etc. to provide additional information after setting an appropriate response deadline. In such case, the Purchase, etc. shall be required to provide such additional information by such deadline.

- 1) Details of the Purchaser, etc. and its group (joint holders¹¹, specially related parties, and specially related parties of persons whose controlled corporation¹² is the Purchaser, etc.) (including name, capital relationship, financial position, business performance, existence, and details of past violations of laws and regulations, details of past transactions of the same type as the Purchase, etc. by such Purchaser, etc.).¹³
- 2) Purpose, method and specific details of the Purchase, etc. (including the type and amount of consideration for the Purchase, etc., timing of the Purchase, etc., structure of related transactions, legality of the Purchase method, feasibility of the Purchase, etc.)
- 3) The price of the Purchase, etc. and the basis for its calculation (including the facts and processes underlying the calculation, the calculation method, the numerical information used in the calculation, and the details of synergies expected to arise from a series of transactions through the Purchase, etc., including the details of synergies to be shared with minority shareholders)
- 4) Information regarding agreements between the Purchaser, etc. and third parties regarding the Company's share certificates, etc. and past acquisitions of the Company's share certificates, etc. by the Purchaser, etc.
- 5) The financial backing for the Purchase, etc. (including the specific name of the provider of funds for the Purchase, etc. (including substantial providers), the method of procurement, and the details of any related transactions)
- 6) Management policy, business plan, capital and dividend policies of the Group after the Purchase, etc.
- 7) Policy for dealing with the Group's shareholders (excluding the Purchaser, etc.), employees, business partners, customers, and other stakeholders of the Group after the Purchase, etc.
- 8) Specific measures to avoid conflicts of interest between the Purchaser, etc. and other

¹¹ Joint holders as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including those who are deemed to be joint holders pursuant to Paragraph 6 of the same article (including those who are deemed to fall under this category by the Company's Board of Directors). The same shall apply throughout this document.

¹² As defined in Article 9, Paragraph 5 of the Order for Enforcement of the Financial Instruments and Exchange Act.

¹³ Including information similar to 1) above regarding each partner and other constituent members, if the Purchaser, etc. is a fund.

shareholders of the Company in cases where such conflicts of interest may arise.

- 9) Information on relationships with antisocial forces
- 10) Any other information that the Independent Committee reasonably determines to be necessary.

(d) Assessment of the terms of the Purchase, etc., negotiation with the Purchaser, etc., and assessment of alternative proposals

1) Requests for information from the Company's Board of Directors

When the Purchaser, etc. submits the Purchase Statement and additional information (if any) requested by the Independent Committee, the Independent Committee may also request the Company's Board of Directors to provide its opinion on the terms of the Purchase, etc. by the Purchaser, etc. (including an opinion to the effect of reserving such opinion) and materials supporting such opinion, an alternative proposal (if any), and any other information that the Independent Committee deems necessary from time to time.

2) Assessment, etc. by the Independent Committee

The Independent Committee shall, in principle, assess the terms of the Purchase, etc., collect and compare information regarding the management plan and business plan of the Purchaser, etc. and the Company's Board of Directors, and examine alternative plans provided by the Company's Board of Directors, for a maximum of 60 days from the receipt of such information, etc. from the Purchaser, etc. (including any additional information, etc. requested.) (the period required for such information collection and assessment by the Independent Committee shall be hereinafter referred to as the "Independent Committee Assessment Period"). In addition, the Independent Committee shall, if necessary to improve the terms of the Purchase, etc. from the perspective of securing and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, directly or indirectly, engage in discussions and negotiations with the Purchaser, etc.

In order to ensure that the decisions of the Independent Committee are made in a manner that contributes to the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee may, at the Company's expense, obtain advice from independent third parties (including financial advisors, certified public accountants, lawyers, certified tax accountants, consultants and other experts). If the Independent Committee directly or indirectly requests the Purchaser, etc. to provide materials for assessment or other information, or to discuss or negotiate with the Purchaser, etc., the Purchaser, etc. must promptly respond to such request.

(e) Recommendations of the Independent Committee

Based on the above procedures, the Independent Committee shall make recommendations, etc. to the Company's Board of Directors as follows.

1) When recommending triggering of the Plan

If the Independent Committee determines that the Purchase, etc. falls under any of the Trigger Events (hereinafter collectively referred to as the "Trigger Events") set forth in (2) below "Requirements for the gratis allotment of the Share Acquisition Rights," the Independent Committee shall recommend that the Company's Board of Directors implement a gratis allotment of share acquisition rights (the main details of which are set forth in (3) "Outline of the gratis allotment of the Share Acquisition Rights" below; hereinafter, such share acquisition rights are referred to as the "Share Acquisition Rights"), except in special circumstances where it is necessary to continue to receive information from the Purchaser, etc. and negotiate and discuss with the Purchaser, etc. In implementing the gratis allotment of the Share Acquisition Rights, the Independent Committee may attach a reservation to the effect that shareholders' intentions should be confirmed prior to or after the implementation.

Notwithstanding the foregoing, even once the Independent Committee has made a recommendation for the implementation of the gratis allotment of the Share Acquisition Rights, the Independent Committee may make a new recommendation to the effect that the Company should cancel the gratis allotment of the Share Acquisition Rights on or before the second business day preceding the ex-rights date for the gratis allotment of the Share Acquisition Rights or acquire the Share Acquisition Rights without consideration from the effective date of the gratis allotment of the Share Acquisition Rights until the day before the commencement date of the exercise period of the Share Acquisition Rights, if the Independent Committee determines that any of the following events applies.

- (i) If the Purchaser, etc. withdraws the Purchase, etc. or the Purchase, etc. otherwise ceases to exist after such recommendation
- (ii) When the Trigger Event no longer exists due to a change in the facts on which the decision on the recommendation was based, etc.

2) When recommending non-triggering of the Plan

If the Independent Committee determines that no Trigger Event exists with respect to the Purchase, etc., the Independent Committee will make a recommendation to the Company's Board of Directors to the effect that the gratis allotment of the Share Acquisition Rights should not be implemented, regardless of whether the Independent

Committee Assessment Period has ended.

Notwithstanding the above, even after the Independent Committee once recommends non-implementation of the gratis allotment of the Share Acquisition Rights, the Independent Committee may make a new recommendation to the effect that the gratis allotment of the Share Acquisition Rights should be implemented if the facts, etc. on which the decision on such recommendation was based change and a Trigger Event exists.

3) Extension of the Independent Committee Assessment Period

If the Independent Committee does not reach a conclusion to make a recommendation for implementation or non-implementation of the gratis allotment of the Share Acquisition Rights during the initial Independent Committee Assessment Period, the Independent Committee may extend the Independent Committee Assessment Period once only, within a reasonable range (however, up to 30 days), assess the terms of the Purchase, etc. by the Purchaser, etc., assess alternative plans, and negotiate with the Purchaser, etc., as deemed necessary. If the Independent Committee Assessment Period is extended, the Independent Committee shall continue to collect information, make assessment, etc., and make the best effort to make a recommendation for the implementation or non-implementation of the gratis allotment of the Share Acquisition Rights within the extended period.

(f) Resolution of the Board of Directors

If a General Meeting of Shareholders is held in accordance with (g) below, the Company's Board of Directors shall make a decision in accordance with the resolution of the General Meeting of Shareholders. On the other hand, if the Independent Committee makes a recommendation in accordance with (e) above and a General Meeting of Shareholders is not held, the Company's Board of Directors shall pass a resolution concerning the implementation or non-implementation of the gratis allotment of the Share Acquisition Rights, etc., respecting such recommendation to the maximum extent possible.

The Company's Board of Directors will not implement the gratis allotment of the Share Acquisition Rights if the Independent Committee recommends that the gratis allotment of the Share Acquisition Rights should not be implemented or if the General Meeting of Shareholders resolves to reject the implementation of the gratis allotment of the Share Acquisition Rights.

(g) Holding of the General Meeting of Shareholders

In implementing the gratis allotment of the Share Acquisition Rights in accordance

with the Plan, the Company's Board of Directors shall, in principle¹⁴, convene a General Meeting of Shareholders¹⁵ and confirm the intent of shareholders regarding implementation of the gratis allotment of the Share Acquisition Rights.

(h) Disclosure

In operating the Plan, the Company will, in accordance with applicable laws and regulations or the rules of the financial instruments exchanges, etc., disclose information in a timely manner regarding the progress of each procedure of the Plan (including the fact that the Letter of Intent and the Purchase Statement have been submitted, and the fact that the Independent Committee Assessment Period has commenced and that the Independent Committee Assessment Period has been extended), a summary of recommendations, etc. by the Independent Committee, a summary of resolutions of the Company's Board of Directors (including the resolution regarding the convocation of the General Meeting of Shareholders), and other matters deemed appropriate by the Independent Committee or the Company's Board of Directors.

(2) Requirements for the gratis allotment of the Share Acquisition Rights

The requirements for implementing the gratis allotment of the Share Acquisition Rights to trigger the Plan are as follows. As described in (1) "Procedures for Triggering the Plan" (e) above, the applicability of the following requirements will always be determined through the recommendation of the Independent Committee.

Trigger Event #1

If the Purchase, etc. does not comply with the procedures set forth in the Plan (including cases where the Purchaser etc. does not provide the time and information reasonably necessary to determine the terms of the Purchase, etc.) and it is reasonable to implement the gratis allotment of the Share Acquisition Rights

Trigger Event #2

If any of the following applies and it is reasonable to implement a gratis allotment of the Share Acquisition Rights

¹⁴ For example, if the Purchaser, etc. does not comply with the procedures stipulated in the Plan and attempts to carry out the Purchase etc., the Board of Directors may implement the gratis allotment of share acquisition rights without holding a General Meeting of Shareholders, while respecting the opinion of the Independent Committee to the maximum extent, because it is impossible to secure the information necessary for shareholders to decide whether the Purchase, etc. is appropriate, for example because there is no time to hold a General Meeting of Shareholders.

¹⁵ Includes a General Meeting of Shareholders to be held after the resolution of the Board of Directors regarding the implementation of the gratis allotment of Share Acquisition Rights and prior to the effective date of the gratis allotment of Share Acquisition Rights.

- (a) If the Purchase, etc. is likely to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders due to any of the following acts, etc.
 - 1) Buying up share certificates, etc. and demanding that the Company purchase the share certificates, etc. at a high price.
 - 2) Management that benefits the Purchaser, etc. at the expense of the Company, such as temporary control of the Company's management and low-cost acquisition of the Company's material assets, etc.
 - 3) Misappropriation of the Company's assets as collateral or source of repayment of debts of the Purchaser, etc. or its group companies, etc.
 - 4) Temporary control of the Company's management to dispose of high-value assets that are not currently related to the Company's business and pay temporarily high dividends with the profits from such disposal, or sell the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices caused by the temporarily high dividends.
- (b) If the Purchase, etc. may effectively coerce shareholders into selling their shares, such as a coercive two-tier purchase (This refers to a tender offer or other purchase of shares without soliciting the purchase of all shares in the initial purchase and setting unfavorable or unclear terms for the second stage of the purchase.)
- (c) If the economic terms of the Purchase, etc. (including the type and amount of consideration and the time and method of payment of the consideration) are inadequate or inappropriate in light of the Company's intrinsic value.
- (d) If the terms of the Purchaser, etc.'s proposal (including the legality and feasibility of the Purchase, etc., management policy or business plan after the Purchase, etc., the policy for dealing with the Company's shareholders (excluding the Purchaser etc.), employees, business partners, customers, and other stakeholders of the Company after the Purchase, etc., in addition to economic terms of the Purchase, etc.), seriously threaten to harm the Company's corporate value and, in turn, the common interests of its shareholders by, for example, seriously impeding the maintenance and improvement of the Company's comprehensive technological capabilities, stable supply of high-quality products and construction work, inter-group network and strong relationships of trust with business partners, which are indispensable for the creation of the Company's corporate value.

(3) Outline of the gratis allotment of the Share Acquisition Rights

The outline of the gratis allotment of the Share Acquisition Rights to be implemented under the Plan is as follows.

(a) Number of the Share Acquisition Rights

The number of the Share Acquisition Rights shall be the same as the final total number of outstanding shares of the Company as of a certain date (hereinafter referred to as the “Allotment Date”) separately determined by a resolution of the Board of Directors or a resolution of the General Meeting of Shareholders (hereinafter referred to as the “Gratis Allotment Resolution”) regarding the gratis allotment of the Share Acquisition Rights.

(b) Shareholders eligible for allotment

The Company shall implement allotment of the Share Acquisition Rights to the shareholders other than the Company recorded in the Company’s final register of shareholders as of the Allotment Date at a ratio of one (1) Share Acquisition Right per one (1) share of the Company’s stock held by such shareholders.

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

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

(d) Number of shares to be issued upon exercise of the Share Acquisition Rights

The number of shares of the Company to be issued upon exercise of one (1) Share Acquisition Right (hereinafter referred to as the “Applicable Number of Shares”) shall be one (1) share in principle.

(e) Amount of assets to be contributed upon exercise of the Share Acquisition Rights

The assets to be contributed upon exercise of the Share Acquisition Rights shall be cash, and the amount to be contributed per one (1) share of the Company’s stock upon exercise of the Share Acquisition Rights shall be an amount to be separately determined by the Gratis Allotment Resolution between 1 yen and any amount equivalent to one-half (1/2) of the fair value of one (1) share of the Company’s stock. The “fair value” shall be the amount equivalent to the average closing price (including quotations) of the Company’s common stock in regular trading on the Tokyo Stock Exchange for each day during the past 90 days (excluding days on which no trading is conducted) prior to the resolution for the gratis allotment of the Share Acquisition Rights, with fractional amounts less than 1 yen rounded up to the nearest yen.

(f) Exercise period of the Share Acquisition Rights

The first day of the exercise period shall be a date separately determined in the Gratis Allotment Resolution (the first day of such exercise period shall hereinafter be referred to

as the “Exercise Period Commencement Date”). In principle, the exercise period will be a period separately determined in the Gratis Allotment Resolution within the range of one month to six months.

(g) Terms and conditions for the exercise of the Share Acquisition Rights

(i) Specified large-scale holders¹⁶, (ii) joint holders of the specified large-scale holders, (iii) specified large-scale purchasers¹⁷, (iv) specially related parties of the specified large-scale purchasers or (v) persons who have received or succeeded to the Share Acquisition Rights from a person falling under (i) through (iv) above without obtaining the approval of the Company’s Board of Directors, or (vi) related parties¹⁸ of a person falling under (i) through (v) above (hereinafter collectively referred to as the “Non-qualified Persons”) may not exercise the Share Acquisition Rights unless certain exceptional events¹⁹ exist.

¹⁶ In principle, holders of share certificates, etc., issued by the Company whose holding ratio of share certificates, etc., in relation to such share certificates, etc., is 20% or more (including those who are deemed to fall under this category by the Company’s Board of Directors). However, a person who is recognized by the Company’s Board of Directors to be a person who has come to fall under any of the above categories without his/her own intent due to the Company’s acquisition of its own shares or for any other reason (except for cases where he/she has subsequently acquired new share certificates, etc. of the Company of his/her own intent), a person whose acquisition and holding of the Company’s share certificates, etc. is not recognized by the Company’s Board of Directors as detrimental to the Company’s corporate value or the common interests of shareholders, and other specified persons separately determined by the Company’s Board of Directors in the Gratis Allotment Resolution shall not fall under the category of specified large-scale holders. The same shall apply throughout this document.

¹⁷ In principle, a person who has made a public notice of purchase (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter in this footnote) of share certificates, etc., (as defined in Article 27-2, Paragraph 1 of the same act. The same shall apply hereinafter in this footnote) issued by the Company through a tender offer and whose holding ratio of share certificates, etc., after such purchase, etc., is 20% or more in the aggregate with the holding ratio of share certificates, etc., of specially related parties of such person (including the cases set forth in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act as being equivalent thereto) (including those who are deemed to fall under the above by the Company’s Board of Directors). However, a person whose acquisition and holding of share certificates, etc. of the Company by such person is not recognized by the Company’s Board of Directors as detrimental to the corporate value of the Company or the common interests of shareholders, or other specified persons separately determined by the Company’s Board of Directors in the Gratis Allotment Resolution shall not be considered as a specified large-scale purchaser. The same shall apply throughout this document.

¹⁸ “Related parties” of a person means any persons who substantially control, are controlled by, or are under common control with such person (including persons recognized by the Company’s Board of Directors as falling under this category), or persons recognized by the Company’s Board of Directors as acting in concert with such person. Such judgment shall be made in accordance with the criteria set forth in Exhibit 2. In addition, the substantial identity of the fund manager and other various factors will be taken into consideration in determining the “related party” with respect to a partnership or other fund. “Control” means “controlling decisions on financial and business policies” (as defined in Article 3, Paragraph 3 of the Regulations for Enforcement of the Companies Act) of another company, etc.

¹⁹ Specifically, if (x) the Purchaser, etc. pledges not to cancel or withdraw the Purchase, etc. after the Gratis Allotment Resolution or to conduct the Purchase, etc. thereafter, and the Purchaser, etc. or other Non-qualified Persons dispose of the Company’s shares by entrusting them to a securities company recognized by the Company, and (y) the Purchaser, etc.’s holding ratio of share certificates, etc. recognized by the Company’s Board of Directors (for the purpose of calculating the holding ratio of share certificates, any Non-qualified Persons other than the Purchaser, etc. and its joint holders shall be deemed to be joint holders of the Purchaser, etc., and any Share Acquisition Rights held by the Non-qualified Persons for which the exercise conditions are not satisfied shall be excluded from the calculation) (hereinafter referred to as the “Shareholding Ratio of Non-qualified Persons”) is lower than (i) the Shareholding Ratio of Non-qualified Persons before the Purchase, etc. or (ii) 20%, whichever is lower, the Purchaser, etc. or other Non-qualified Persons who made such disposal may exercise the Share Acquisition Rights for the number of shares equivalent to the number of shares disposed of, up to such lower ratio. Details of the conditions and procedures, etc. for the exercise of the Share Acquisition Rights by such Non-qualified Persons shall be separately determined by the Company’s Board of Directors.

In addition, nonresidents of Japan who are required to follow certain procedures to exercise the Share Acquisition Rights under applicable foreign laws and regulations may not, in principle, exercise the Share Acquisition Rights (provided, however, that the Share Acquisition Rights held by nonresidents shall also be subject to acquisition by the Company in exchange for shares of the Company as described in (i)2) below, subject to confirmation of no conflict with applicable laws and regulations). Furthermore, those who do not submit a written pledge in a form prescribed by the Company, which includes representations and warranties, indemnity clauses, and other covenants regarding the fulfillment of the exercise conditions of the Share Acquisition Rights, etc., may not exercise the Share Acquisition Rights.

(h) Transfer of the Share Acquisition Rights

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

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

- 1) At any time up to the day before the Exercise Period Commencement Date, if the Company's Board of Directors deems it appropriate to acquire the Share Acquisition Rights, the Company may acquire all the Share Acquisition Rights without consideration on a date separately determined by the Company's Board of Directors.
- 2) On a date separately determined by the Company's Board of Directors, the Company may acquire all of the Share Acquisition Rights held by persons other than Non-qualified Persons that have not been exercised by the day before the date determined by the Company's Board of Directors and, in exchange, deliver shares of the Company in the number equivalent to the Applicable Number of Shares per one (1) Share Acquisition Right. If, after the date of such acquisition, the Company's Board of Directors recognizes the existence of any person other than the Non-qualified Persons among the holders of the Share Acquisition Rights, the Company may, on a date determined by the Company's Board of Directors after the date of such acquisition, acquire all of the Share Acquisition Rights held by such person that have not been exercised by the day preceding the date determined by the Company's Board of Directors, and in exchange, the Company may deliver shares of the Company in the number equivalent to the Applicable Number of Shares per one (1) Share Acquisition Right, and the same shall apply thereafter.

(j) Delivery of share acquisition rights in the event of a merger, absorption-type demerger, incorporation-type demerger, share exchange, and share transfer

This shall be separately determined in the Gratis Allotment Resolution.

(k) Issuance of certificates of share acquisition rights

No certificates of share acquisition rights shall be issued for the Share Acquisition Rights.

(l) Others

In addition to the above, the details of the Share Acquisition Rights shall be separately determined in the Gratis Allotment Resolution.

(4) Procedures for continuation of the Plan

The continuation of the Plan is subject to the approval of the shareholders by submitting a proposal for delegation of authority to the Company's Board of Directors to decide matters concerning the gratis allotment of the Share Acquisition Rights in accordance with the conditions described in the Plan at this Annual General Meeting of Shareholders, pursuant to Article 16, Paragraph 2, of the Articles of Incorporation of the Company.

(5) Effective period, abolition, and amendments to the Plan

The effective period of the Plan shall be from the conclusion of this Annual General Meeting of Shareholders to the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within three years after the conclusion of this Annual General Meeting of Shareholders.

However, even before the expiration of the effective period, if a resolution is passed at a General Meeting of Shareholders of the Company to withdraw the above delegation of authority to the Company's Board of Directors to decide matters concerning the gratis allotment of the Share Acquisition Rights, or if a resolution is passed at a General Meeting of Shareholders or the Company's Board of Directors to abolish the Plan, the Plan shall be abolished in accordance with such resolution.

In addition, even during the effective period of the Plan, the Company's Board of Directors may, upon approval of the Independent Committee, revise or modify the Plan, if it is appropriate to reflect such new establishment, amendment or abolition of laws and regulations or the rules of the financial instruments exchanges, etc. related to the Plan, or if it is appropriate to amend the wording due to typographical errors or omissions, or if it is not disadvantageous to the shareholders of the Company, or if such revision or modification does not cause any disadvantage to the shareholders of the Company or otherwise does not conflict with the purpose of the resolution of this Annual General Meeting of Shareholders.

If the Plan is abolished, revised, or modified, the Company will promptly disclose the fact of such abolition, revision, or modification and the details of the revision or modification (in the case of revision or modification) and other matters.

(6) Revisions due to amendments to laws and regulations, etc.

The provisions of laws and regulations cited in the Plan are based on the provisions in force as of May 23, 2025. In the event that it becomes necessary to revise any of the provisions or the meanings of terms, etc., set forth in the above paragraphs due to the establishment, amendment or abolition of laws and regulations after the date hereof, the provisions or the meanings of terms, etc., set forth in the above paragraphs may be interpreted as appropriate to a reasonable extent, taking into account the purpose of the establishment, amendment or abolition.

4. Impact on shareholders and investors

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

Since the gratis allotment of Share Acquisition Rights itself will not be implemented upon the continuation of the Plan, there will be no direct specific impact on shareholders and investors.

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

(i) Procedures for the gratis allotment of Share Acquisition Rights

In the event that a Gratis Allotment Resolution is passed at a meeting of the Company's Board of Directors or at a General Meeting of Shareholders of the Company, the Date of Allotment will be specified in such resolution and public notice thereof will be given. In this case, gratis allotment of Share Acquisition Rights will be implemented to the shareholders recorded in the Company's final register of shareholders as of the Allotment Date (hereinafter referred to as the "Shareholders Eligible for Allotment") at a ratio of one (1) Share Acquisition Right for each share of the Company held by the Allottee. The Shareholders Eligible for Allotment will naturally become holders of the Share Acquisition Rights on the effective date of the gratis allotment of the Share Acquisition Rights, so there will be no need for them to file an application.

Even once the Gratis Allotment Resolution has been passed, the Company will respect the recommendation of the Independent Committee to the maximum extent possible as described in 3.(1) "Procedures for triggering the Plan" (e)1) and may cancel the gratis allotment of the Share Acquisition Rights up to two business days prior to the ex-rights date for the gratis allotment of the Share Acquisition Rights, or acquire the Share Acquisition Rights without consideration on or after the effective date of the gratis allotment of the

Share Acquisition Rights until the day before the Exercise Period Commencement Date. In such cases, there will be no dilution of the value per share of the Company's shares. Therefore, investors who trade on the assumption that such dilution will occur may suffer unforeseen damages due to fluctuations in the share price.

(ii) Procedures for exercising the Share Acquisition Rights

The Company will send the Shareholders Eligible for Allotment the forms of the documents to be submitted for exercising the Share Acquisition Rights (the forms prescribed by the Company, including the details and number of the Share Acquisition Rights to be exercised, necessary matters such as the date of exercising the Share Acquisition Rights, and representations and warranties, indemnity clauses, and other covenants regarding the fulfillment of the exercise conditions of the Share Acquisition Rights, as well as information necessary to record the Company's shares in the account for book-entry transfer of the Company's shares to the Shareholders Eligible for Allotment) and other documents necessary for the exercise of the Share Acquisition Rights.

After the gratis allotment of the Share Acquisition Rights, shareholders will be required to submit these necessary documents within the exercise period of the Share Acquisition Rights and, in principle, pay cash equivalent to the exercise price determined in the Gratis Allotment Resolution within the range of a minimum of 1 yen per one (1) Share Acquisition Right and a maximum of one-half (1/2) the market price of one (1) share of the Company's stock, and one (1) share of the Company's stock will be issued per one (1) Share Acquisition Right. The exercise of the Share Acquisition Rights by the Non-qualified Persons shall be subject to the provisions separately specified by the Company in accordance with the purpose of 3.(3) "Outline of the gratis allotment of the Share Acquisition Rights" (g) above.

If shareholders do not exercise the Share Acquisition rights and pay the amount equivalent to the exercise price, the shares they hold in the Company will be diluted by the exercise of the Share Acquisition Rights by other shareholders.

Notwithstanding the foregoing, the Company may acquire the Share Acquisition Rights from shareholders other than the Non-qualified Persons in accordance with (iii) below and deliver shares of the Company in exchange. If the Company takes such acquisition procedures, shareholders other than the Non-qualified Persons will receive the Company's shares, etc. without exercising the Share Acquisition Rights or paying the exercise price, and their holdings of the Company's shares will not be diluted, in principle.

(iii) Procedures for acquisition of the Share Acquisition Rights by the Company

If the Company's Board of Directors decides to acquire the Share Acquisition Rights, the Company may acquire the Share Acquisition Rights from shareholders other than the Non-

qualified Persons and deliver shares of the Company in exchange on a date separately determined by the Company's Board of Directors in accordance with the statutory procedures. In this case, such shareholders will receive, in principle, one (1) share of the Company's stock for each Share Acquisition Right as consideration for the acquisition of the said Share Acquisition Right by the Company without paying the cash equivalent to the exercise price. In this case, however, such shareholders will be separately requested to provide information necessary to record the Company's shares in the account for book-entry transfer of the Company's shares to the Shareholders Eligible for Allotment, and may be required to submit a written pledge in a form prescribed by the Company, which includes representations and warranties that they are not a Non-qualified Person, indemnity clauses, and other covenants.

If the Gratis Allotment Resolution stipulates the acquisition of the Share Acquisition Rights from Non-qualified Persons or other matters related to acquisition, the Company may implement measures in accordance with such stipulations.

In addition to the above, details of the allotment method, exercise method and method of acquisition by the Company will be disclosed or notified to shareholders after they are determined by the Gratis Allotment Resolution.

IV. Reasonableness of the Plan

(1) Securing and enhancing the corporate value and, in turn, the common interests of shareholders

The Plan will be continued in accordance with the Basic Policy to secure the information and time necessary for the shareholders to decide whether or not they should accept the Purchase, etc. or for the Company's Board of Directors to propose an alternative proposal to the shareholders, and to negotiate with the Purchaser, etc. on behalf of the shareholders, if a Purchase, etc. of the Company's share certificates, etc. is attempted, with the aim of ensuring the Company's corporate value and, in turn, the common interests of its shareholders.

(2) Satisfying the requirements of the Guidelines, etc. regarding Takeover Defense Measures (Takeover Response Policy)

The Plan fully satisfies the three principles, namely, 1) Principle of protecting and enhancing corporate value and shareholders' common interests, 2) Principle of prior disclosure and shareholders' will, and 3) Principle of ensuring the necessity and reasonableness described in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" announced on May 27, 2005 by the Ministry of Economy, Trade and Industry and the

Ministry of Justice.

The Plan also takes into account the contents of the “Takeover Defense Measures in Light of Recent Environmental Changes” announced on June 30, 2008 by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry.

Furthermore, the content takes into consideration the “Guidelines for Corporate Takeovers - Enhancing Corporate Value and Securing Shareholders’ Interests -” announced on August 31, 2023 by the Ministry of Economy, Trade and Industry.

(3) Emphasis on shareholders’ will

In order to reflect the shareholders’ will, the Plan will be continued subject to approval by shareholders at this Annual General Meeting of Shareholders of a proposal for delegation of authority to the Board of Directors of the Company in accordance with Article 16 of the Articles of Incorporation of the Company.

Furthermore, as described in III.3.(1) “Procedures for triggering the Plan” (g), the Board of Directors will, in principle, confirm the shareholders’ will regarding the implementation of the gratis allotment of the Share Acquisition Rights at a General Meeting of Shareholders.

In addition, the Plan is subject to a so-called sunset provision with an effective period of approximately 3 years, and even before the expiration of the effective period, if a resolution is passed at a General Meeting of Shareholders of the Company to withdraw the above delegation to the Company’s Board of Directors or to abolish the Plan, the Plan will be abolished at that point in time. In this sense, the shareholders’ will is to be reflected in the extinction of the Plan.

(4) Emphasis on judgment of Independent Outside Directors, etc. and obtaining opinions of third-party experts

In triggering the Plan, the recommendation of the Independent Committee, which consists solely of Independent Outside Directors, etc., must be obtained.

Furthermore, the Independent Committee may receive advice from independent third-party experts, etc. at the Company’s expense, a mechanism that further ensures the fairness and objectivity of the decisions made by the Independent Committee.

(5) Establishment of reasonable objective requirements

As described in III.3.(1) “Procedures for triggering the Plan” (e) and III.3.(2) “Requirements for the gratis allotment of the Share Acquisition Rights,” the Plan is set up so that it will not be triggered unless reasonable objective requirements are met, thereby ensuring a mechanism to

prevent arbitrary triggering by the Company's Board of Directors.

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

The Plan is not a dead-hand takeover defense measure (a takeover defense measure whose triggering cannot be prevented even if a majority of the members of the Board of Directors are replaced) because it can be abolished by the Board of Directors, which consists of Directors elected at the General Meeting of Shareholders of the Company based on the nomination by the person who purchased a large volume of the Company's share certificates, etc. Nor is the Plan a slow-hand takeover defense measure (a takeover defense measure whose triggering takes time because it is made impossible to replace all members of the Board of Directors at once) because the term of office of a Director of the Company is one year and staggered terms are not adopted in the Company.

Status of Major Shareholders of the Company (as of March 31, 2025)

Shareholder Name	Number of shares held (thousand shares)	Shareholding ratio (%)
NIPPON STEEL CORPORATION	6,940	12.69
The Master Trust Bank of Japan, Ltd. (trust account)	5,573	10.19
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust for TAIHEIYO CEMENT CORPORATION Account Re-trust trustee: Custody Bank of Japan, Ltd.	3,634	6.64
NC Shareholders' Stockholding	3,073	5.62
NIPPON DENSETSU KOGYO CO., LTD.	2,008	3.67
TAIHEIYO CEMENT CORPORATION	1,500	2.74
Mizuho Bank, Ltd.	1,000	1.82
MUFG Bank, Ltd.	930	1.70
Custody Bank of Japan, Ltd. (trust account)	893	1.63
WADA INC.	836	1.52

Notes:

1. The shareholding ratio is calculated by subtracting 3,119,051 shares of treasury stock from the total number of shares issued and outstanding, rounded down to two decimal places.
2. The Company's shares held by the BIP trust for directors' remuneration (135,686 shares) and the ESOP trust for stock award (105,668 shares) are not included in the above treasury stock.
3. According to the Change Report submitted by Mitsubishi UFJ Financial Group, Inc. on July 29, 2024, a total of 3,359 thousand shares of the Company's stock (shareholding ratio of 6.14% (excluding treasury stock) at the time of submission) were held by MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Asset Management Co., Ltd., and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. However, the Company is unable to confirm the number of shares actually held by these four companies as of the end of the fiscal year under review. Therefore, it is not included in the above list of major shareholders.

Appendix 2

Recognition Criteria for Joint and Concerted Actions, etc.

- * Regarding a person subject to recognition (including its parent company, subsidiaries, and other entities that should be considered the same as the person subject to recognition; hereinafter referred to as the “Person Subject to Recognition”), recognition shall be determined in a comprehensive manner, taking into account whether or not there are any direct or indirect facts that suggest that there is “no” communication of intent with a specified shareholder of the Company, in addition to each of the items below.
- * Hereinafter, the term “Specified Shareholder of the Company” shall include the Specified Shareholder’s parent and subsidiaries (including such Specified Shareholder, hereinafter referred to as the “Specified Shareholder Group”), and the officers and major shareholders of the Specified Shareholder Group.

- (1) Whether the period during which the Company’s share certificates, etc. are being acquired overlaps with the period during which actions are being taken to acquire the Company’s share certificates, etc. or to make a material proposal or other takeover attempt by the Specified Shareholder of the Company.
- (2) Whether the number of the Company’s share certificates, etc. acquired has reached a considerable quantity.
- (3) Whether the acquisition of the Company’s share certificates, etc. is commenced in close proximity to the commencement of actions by the Specified Shareholder toward the acquisition of the Company, such as the commencement of the acquisition of the Company’s share certificates, etc. by the Specified Shareholder or the announcement of the Specified Shareholder’s intention to acquire management control over the Company or to make a material proposal, or whether the timing of the acquisition is close to an event related to the Specified Shareholder’s actions, such as the record date of a General Meeting of Shareholders whose agenda includes items related to the Plan.
- (4) Whether there is any commonality between the characteristics of the timing and manner of the acquisition of the Company’s share certificates, etc. by the Specified Shareholder (for example, whether or not margin buying and other methods are used), such as the acquisition of the Company’s share certificates, etc. at the same time during a period when trading conditions of the Company’s share certificates, etc. in the market are abnormal (for example, when the volume is significantly higher than the average volume or the share price is significantly higher than the average price during a preceding period).
- (5) Whether a person has acquired (or had acquired) share certificates, etc. of other listed companies whose share certificates, etc. are (or had been) acquired by the Specified Shareholder, and

whether the timing of such acquisition and the period of holding overlap with those of the Specified Shareholder.

- (6) During the overlapping period in (5) above, whether the exercise of shareholder rights (common interest rights) with respect to other listed companies (in which the Person Subject to Recognition was a shareholder together with the Specified Shareholder) was in sync with that of the Specified Shareholder. If so, the extent of that alignment in light of the type and content of the shareholder's rights, the results of the exercise of the shareholder's rights, and other relevant factors.
- (7) In the case of the election or dismissal of directors or other officers of other listed company as a result of the exercise of voting rights or other common interest rights by the Person Subject to Recognition and the Specified Shareholder (and shareholders other than the Person Subject to Recognition who exercised voting rights or other common interest rights in concert with the Specified Shareholder, if any) as described in (5) above, whether there is an occurrence of any event that could damage corporate value or shareholder value (for example, occurrence of an event that constitutes or could constitute a material violation of law, delisting, designation as an issue requiring special disclosure, bankruptcy or other legal bankruptcy proceedings, issuance of shares or share acquisition rights with large-scale dilution) during the term of office of the directors after the change at the other listed company. If so, the degree of risk of damage to corporate value or shareholder value.
- (8) Whether there is or has ever been a direct or indirect investment or loan relationship with the Specified Shareholder.
- (9) Whether there is or has been a personal relationship with the Specified Shareholder directly or indirectly, such as a director relationship, a family relationship (including a common-law relationship), a business relationship, a personal relationship within the community such as a former school, or a personal relationship where one is or has been an employee, member, or other constituent member of the other.
- (10) Whether the exercise of shareholder rights (common interest rights) against the Company aligned with that of the Specified Shareholder. If so, the extent of that alignment in light of the types and details of shareholder rights exercised, and the results of the exercise of shareholder rights. (This item shall not be the sole basis for recognizing "a relationship between the Specified Shareholder and the other shareholder in which one substantially controls the other or in which they act jointly or in concert" or "a person substantially controlled by or acting jointly or in concert with such person".)
- (11) Whether the statements and actions related to the Company's business and management policy are similar to those of the Specified Shareholder. If so, the degree of similarity in light of the timing and content of such statements and actions. (This item shall not be the sole basis for recognizing "a relationship between the Specified Shareholder and the other shareholder in which one substantially controls the other or in which they act jointly or in concert" or "a person

substantially controlled by or acting jointly or in concert with such person".)

- (12) Whether the agent or advisor has a relationship (whether direct or indirect) with the Specified Shareholder such as belonging or having belonged to the same office, corporation, or organization as that of the Specified Shareholder, having a business alliance, having worked together on similar projects, and/or having a family relationship or other personal relationship that facilitates communication with the Specified Shareholder.
- (13) Whether there are any other direct or indirect facts that suggest there is communication of intent with the Specified Shareholder.

Summary of Independent Committee Rules

- The Independent Committee shall be established by resolution of the Company's Board of Directors.
- The Independent Committee shall consist of at least three (3) members, who shall be independent of the Company's executive management and shall be appointed by the Company's Board of Directors from among (i) the Company's Outside Directors, (ii) the Company's Outside Audit & Supervisory Board Members, or (iii) experts. Experts must be proven corporate managers, persons familiar with investment banking, lawyers, certified public accountants, or scholars whose primary research focuses on corporate law, etc., or their equivalents, and must have entered into an agreement with the Company that includes a duty of care clause separately designated by the Company's Board of Directors.
- The term of office of the members of the Independent Committee shall 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 Annual General Meeting of Shareholders. However, this shall not apply if otherwise determined by a resolution of the Company's Board of Directors. If any member of the Independent Committee who is an Outside Director or Outside Audit & Supervisory Board Member of the Company loses such position (except in the case of reappointment), the term of office as a member of the Independent Committee shall also terminate at the same time.
- The Independent Committee shall make decisions on the matters described in each of the following items and recommend the details of its decisions, together with the reasons therefor, to the Company's Board of Directors. The Company's Board of Directors will make a decision as an organization under the Companies Act regarding implementation or non-implementation of the gratis allotment of share acquisition rights, etc., respecting the recommendation of the Independent Committee to the maximum extent possible (provided, however, that if a separate resolution is passed at a General Meeting of Shareholders regarding implementation or non-implementation of the gratis allotment of share acquisition rights as provided in 1) below, such resolution will be applied). Each member of the Independent Committee and each Director of the Company must make such decisions from the perspective of whether or not they contribute to the corporate value of the Company and, in turn, the common interests of its shareholders, and must not make such decisions solely for their own personal benefit or that of the Company's management team.
 - 1) Implementation or non-implementation of the Gratis Allotment of the Share Acquisition Rights
 - 2) Cancellation of gratis allotment of the Share Acquisition Rights or gratis acquisition of the Share Acquisition Rights
 - 3) Other matters on which the Company's Board of Directors has consulted with the Independent Committee regarding matters on which the Company's Board of Directors should make a judgment.
- In addition to the matters set forth above, the Independent Committee may execute the matters described below:

- 1) Determination of applicability of the Purchase subject to the Plan
- 2) Determination of information to be provided to the Independent Committee by the Purchaser and the Company's Board of Directors and the deadline for response
- 3) Scrutiny and examination of the details of the Purchaser's Purchase, etc.
- 4) Discussions and negotiations with the Purchaser
- 5) Request for submission of alternative proposals to the Company's Board of Directors and consideration of alternative proposals
- 6) Decision to extend the Independent Committee Assessment Period
- 7) Approval of amendments or modifications to the Plan
- 8) Determination as to whether or not to introduce takeover defense measures (Takeover Response Policy) other than the Plan
- 9) Other matters specified in the Plan that the Independent Committee may perform
- 10) Matters that the Company's Board of Directors separately determines that the Independent Committee may perform.

- If the Independent Committee determines that the details in the Purchase Statement are insufficient as Necessary Information, the Independent Committee shall request the Purchaser to submit additional information. In addition, if the Independent Committee receives from the Purchaser the Purchase Statement and any additional information requested by the Independent Committee, the Independent Committee may also request that the Company's Board of Directors provide, within the prescribed period, its opinion on the terms of the Purchase by the Purchaser and materials supporting such opinion, an alternative proposal (if any), and any other information, etc. that the Independent Committee may consider necessary from time to time.
- The Independent Committee shall discuss and negotiate with the Purchaser, directly or indirectly, if necessary to improve the terms of the Purchase from the perspective of securing and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, and shall also present an alternative proposal by the Company's Board of Directors, etc. to the shareholders.
- In order to gather necessary information, the Independent Committee may request the attendance of the Company's directors, corporate auditors, employees, and other persons deemed necessary by the Independent Committee, and may request explanations concerning matters requested by the Independent Committee.
- The Independent Committee may, at the Company's expense, obtain advice from independent third parties (including financial advisors, certified public accountants, lawyers, tax accountants, consultants and other experts).
- Each member of the Independent Committee may convene a meeting of the Independent Committee in the event of a Purchase or at any other time.
- A resolution of the Independent Committee, in principle, shall be adopted at a meeting of the Independent Committee attended by all the members of the Independent Committee (including attendance by video conference or telephone conference; the same shall apply hereinafter) by a majority vote of the members. However, in case of unavoidable circumstances, a resolution of the Independent Committee may be adopted at a meeting attended by a majority of the members of the Independent Committee by a majority vote of the members.

Independent Committee Member Biography

MAZUKA Michiyoshi

Born on October 17, 1943

April 1968	Joined Fujitsu FACOM Co., Ltd.
April 1971	Transferred to Fujitsu Limited
June 2001	Member of the Board and Head of East Japan Sales Business Unit, Fujitsu Limited
June 2005	Member of the Board, Corporate Executive Vice President, Fujitsu Limited
June 2006	Corporate Senior Executive Vice President and Representative Director, Fujitsu Limited
June 2008	Chairman and Representative Director, Fujitsu Limited
September 2009	Chairman, President and Representative Director, Fujitsu Limited
June 2014	Advisor and Director, Fujitsu Limited
June 2015	Director, the Company (current position)
June 2016	Advisor, Fujitsu Limited
	Outside Director, AMADA HOLDINGS CO., LTD. (currently AMADA CO., LTD.)
April 2018	Senior Advisor, Fujitsu Limited
June 2018	Outside Director, Tsukishima Kikai Co., Ltd. (currently TSUKISHIMA HOLDINGS CO., LTD.) (current position)

Mr. MAZUKA Michiyoshi is an outside director (non-standing) as defined in Article 2, Item 15 of the Companies Act.

MATSUMOTO Takenori

Born on February 5, 1944

April 1968	Joined the Ministry of Transport (currently the Ministry of Land, Infrastructure, Transport and Tourism)
January 1994	First Airport Administrator, Kansai International Airport, West Japan Civil Aviation Bureau
August 1995	Director-General, West Japan Civil Aviation Bureau
June 1996	Director-General, Engineering Department, Civil Aviation Bureau
June 2000	Director, Japan Air System Co., Ltd.
June 2003	Representative Director and Senior Managing Director, Japan Airline Co., Ltd.
June 2006	Director and Chairman, JAL Aircraft Maintenance Narita Co., Ltd.
August 2014	Representative Director and Senior Vice President, Setouchi SEAPLANES, Inc.
January 2017	Representative Director and President, Setouchi SEAPLANES, Inc.
September 2019	Executive Advisor, Daihyaku Shoji Co., Ltd. (current position)
November 2020	Executive Advisor, Japan Drone Organization Co., Ltd.
June 2022	Director, the Company (current position)

Mr. MATSUMOTO Takenori is an outside director (non-standing) as defined in Article 2, Item 15 of the Companies Act.

HIROSE Shino

Born on March 8, 1967

April 2000	Registered attorney (Dai-Ichi Tokyo Bar Association)
	Joined Abe, Ikubo & Katayama
January 2004	Partner at Abe, Ikubo & Katayama (current position)
October 2006	Study abroad at Beijing University of International Business and Economics, China
April 2008	Embassy of Japan in China (First Secretary)
September 2014	Outside Auditor, Joyful Honda Co., Ltd. (current position)
June 2016	Outside Auditor, Nippon Suisan Kaisha Ltd. (currently Nissui Corporation)
May 2018	Director, the Baseball Federation of Japan (current position)
September 2019	Auditor, Japan Asian Community Culture Cooperation Organization (current position)
June 2020	Auditor, Japan Basketball Association (current position)
June 2021	Outside Director, INNOTECH CORPORATION (current position)
June 2024	Director, the Company (current position)

Ms. HIROSE Shino is an outside director (non-standing) as defined in Article 2, Item 15 of the Companies Act.