

Securities Code: 2220

May 27, 2025

To our shareholders:

Masanori Takagi, President & COO

**KAMEDA SEIKA CO., LTD.**

3-1-1 Kameda-kogyodanchi, Konan-ku, Niigata-shi, Niigata

## **Notice of the 68th Ordinary General Shareholders' Meeting**

We would like to inform you that the 68th Ordinary General Shareholders' Meeting of KAMEDA SEIKA CO., LTD. (the "Company") will be held as follows.

When the Company convenes this General Shareholders' Meeting, it shall take measures for providing information that constitutes the content of reference documents for the general shareholders' meeting, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and post this information on the respective websites as shown below. Please access any of the websites to review the information.

The Company's website (General Shareholders' Meeting Information):

<https://www.kamedaseika.co.jp/ir/shareholders/> (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 "KAMEDA SEIKA" in "Issue name (company name)" or the Company's securities code "2220" 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].")

**1. Date and Time:** Tuesday, June 17, 2025, at 10:00 a.m. (JST) (Reception opens at 9:00 a.m.)

**2. Venue:** KAMEDA SEIKA CO., LTD. Head Office, 5th Floor Conference Room  
3-1-1 Kameda-kogyodanchi, Konan-ku, Niigata-shi, Niigata

### **3. Agenda:**

#### **Items to be reported:**

1. The Business Report, Consolidated Financial Statements, and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 68th fiscal year (from April 1, 2024, to March 31, 2025)
2. The Company Stand Alone Financial Statements for the 68th fiscal year (from April 1, 2024, to March 31, 2025)

#### **Items to be resolved:**

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|-----------------------|--|
| <b>Proposal No. 1</b> | Appropriation of Surplus   |
| <b>Proposal No. 2</b> | Partial Amendment to the Articles of Incorporation   |
| <b>Proposal No. 3</b> | Payment of Bonuses to Directors  |
| <b>Proposal No. 4</b> | Continuation of the Response Policy on Large-Scale Purchases of the Company's Shares (Response Policy on Acquisitions) |

- Attendance to the meeting is limited to one person, either the shareholder with voting rights in person or a proxy (a shareholder with voting rights). In the case of attendance by a proxy, please note that the proxy must submit a document certifying authority of representation.
- The Company will also deliver the paper-based documents stating the items subject to measures for electronic provision to shareholders who requested the delivery of paper-based documents. Meanwhile, the following items are posted on the respective websites, according to laws and regulations and the Articles of Incorporation of the Company, and are therefore not included in the paper-based documents.

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| <ul style="list-style-type: none"><li>(i) “System for ensuring the appropriateness of operations and the state of operation of the system” and “Basic policy regarding control of the Company” in the Business Report</li><li>(ii) “Consolidated Statement of Changes in Shareholders’ Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements</li><li>(iii) “Statement of Changes in Shareholders’ Equity” and “Notes to the Company Stand Alone Financial Statements” in the Company Stand Alone Financial Statements</li></ul> |
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The Business Report audited by the Audit & Supervisory Board members and the Consolidated Financial Statements and the Company Stand Alone Financial Statements, which were audited by the Audit & Supervisory Board members and the Accounting Auditor, are the documents stated in the paper-based documents as well as the items in (i), (ii) and (iii) above that are stated on the respective websites.

- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the respective websites.

## Reference Documents for the General Shareholders' Meeting

### Proposal No. 1      Appropriation of Surplus

The Company aims to stably increase the return of profit by implementing the medium-term business plan and expanding earnings while maintaining a balance between investments in Japan and abroad to become a “Rice Innovation Company” and return of profit to its shareholders.

In line with the above policy, the Company proposes to pay a fiscal year-end dividend of ¥42 per share for the fiscal year under review (¥1 higher than for the previous fiscal year).

- (1) Type of dividend property  
Cash
- (2) Allotment of dividend property and the aggregate amount  
¥42 per common share of the Company (¥1 higher than the previous fiscal year)  
(Reference) The annual dividend for the fiscal year, including the interim dividend, will be ¥57 per share (¥1 higher than the previous fiscal year).  
Total dividends: ¥885,499,860
- (3) Effective date of dividends  
June 18, 2025

### Proposal No. 2      Partial Amendment to the Articles of Incorporation

#### 1. Reason for the proposal

In order to prepare for the expansion of the Company's business activities and future business development, the Company will add a new item of purpose to Article 2 (Purpose) of the current Articles of Incorporation.

#### 2. Details of the amendments

The details of the amendments are shown below.

(Amendments parts are indicated by underlines.)

Current Articles of Incorporation		Proposed Amendments	
Article 1	(Provisions omitted)	Article 1	(Unchanged)
(Purpose)		(Purpose)	
Article 2	(Provisions omitted)	Article 2	(Unchanged)
1 - 6	(Provisions omitted)	1 - 6	(Unchanged)
	(Newly established)	<u>7</u>	<u>Production, processing, and sales of rice and other agricultural products</u>
<u>7</u>	(Provisions omitted)	<u>8</u>	(Unchanged)

### Proposal No. 3      Payment of Bonuses to Directors

The Company proposes to pay a total of ¥120 million in directors' bonuses to four (4) of nine (9) directors, excluding five (5) outside directors independent from business execution, as of the end of FY2024, in consideration of the consolidated operating results for FY2024 among other factors.

The Company's Board of Directors set forth, at its meeting held on August 21, 2024, the policy, which is stated in 1) below, for determination of the content of the individual remunerations, etc., of executives. This proposal is in line with said policy and is hence judged to be suitable.

#### Matters Regarding Remuneration, etc., of Directors and Audit & Supervisory Board Members

##### 1) Contents and Method of Determination of Policy Regarding Determination of Amount and Calculation Method of Executive Remuneration, etc.

The Company's Board of Directors set forth, at its meeting held on August 21, 2024, the policy for determination of the content of the individual remunerations, etc., of executives.

After deliberation at the voluntary independent Nominating and Remuneration Committee, the Board of Directors has confirmed that individual remunerations, etc. for directors for the fiscal year under review conforms with the determination policy decided by the Board of Directors in terms of the method of determining the content of the remunerations, etc., and the determined content of the remunerations, etc., and judges that it is in line with the determination policy.

The policy for determination of the content of the individual remunerations, etc. of executives is as described below.

##### (Basic Views)

The basic policies on the Company's executive remuneration are as described below, and, after deliberation at the voluntary independent Nominating and Remuneration Committee, these are being deliberated and resolved by the Board of Directors, which is composed of a majority of independent outside directors.

- The system aims to heighten the awareness of shareholder-oriented management by increasing corporate value and pursuing sustainable growth.
- The system is highly linked with business performance to serve as an incentive to achieve performance targets of the Company.
- The procedure for determining remuneration is highly transparent and objective.

##### (Remuneration Levels)

Remuneration levels for executive directors are based on consideration of levels in the industry and other companies of the same size, in reference to data from surveys on executive pay conducted by external research organizations.

##### (Breakdown of Remuneration)

Remuneration for executive directors is made up of base remuneration, which is fixed remuneration, and bonuses, which are linked to the Company's performance.

##### [Base Remuneration]

The amount of base remuneration of each director is determined by the position that links to his or her roles and responsibilities, and is paid as a monthly fixed remuneration within the scope set forth at a general meeting of shareholders.

Non-executive directors, and outside directors and Audit & Supervisory Board members (both inside and outside members) independent from business execution, only receive fixed remuneration.

##### [Bonuses]

Emphasizing the linkage with the operating performance of the Group as well as with corporate value and shareholder value, bonuses are determined with "consolidated net sales," "consolidated operating income," "consolidated ROE," and "consolidated net income attributable to owners of the parent" used as performance indicators.

Under the bonus system, the amount to be paid is calculated based on the degree to which the targets are achieved, varying between 0% and 150% with 100% being paid if targets are achieved, and the total amount of bonuses is proposed at the ordinary general shareholders' meeting for the applicable business year, and paid promptly after the resolution of the proposal.

[Performance Indicators for Bonus and Actual Results]

Net sales	Operating income	Net income attributable to owners of the parent	ROE
¥103,260 million	¥5,500 million	¥5,417 million	7.4%

(Remuneration Ratios)

The ratio of performance-linked remuneration to total remuneration is designed to increase for higher-ranked positions, in accordance with each position's responsibilities, etc., and is generally around 30-50% if performance targets are achieved.

(Procedures Used to Determine Remuneration)

In order to ensure transparency and objectivity, remuneration levels and the suitability of remuneration amounts are determined by deliberation and resolution of the Board of Directors after consultation with and report from the Remuneration Committee, which is composed of a majority of independent outside directors.

2) Total Amounts of Remuneration, etc. of Directors and Audit & Supervisory Board Members

		Number of recipients (persons)	Remuneration (million yen)	Bonus (million yen)	Total payment (million yen)
Director	Other than outside directors	5	143	120	263
	Outside directors	6	63	—	63
	Subtotal	11	206	120	326
Audit & Supervisory Board Member	Other than outside Audit & Supervisory Board members	3	36	—	36
	Outside Audit & Supervisory Board members	2	24	—	24
	Subtotal	5	60	—	60
	Total	16	266	120	386

Notes:

- As of the end of the fiscal year under review, the Company has nine (9) directors (including five (5) outside directors) and four (4) Audit & Supervisory Board members (including two (2) outside Audit & Supervisory Board members). The above includes the two (2) directors and one (1) Audit & Supervisory Board member who retired at the conclusion of the 67th Ordinary General Shareholders' Meeting held on June 18, 2024.
- The 63rd Ordinary General Shareholders' Meeting, held on June 17, 2020, resolved that remuneration for directors may be up to ¥26 million per month. The number of directors as of the end of that Ordinary General Shareholders' Meeting was thirteen (13) (including seven (7) outside directors).
- The 53rd Ordinary General Shareholders' Meeting, held on June 23, 2010, resolved that the amount of remuneration for Audit & Supervisory Board members may be up to ¥6 million per month. The number of Audit & Supervisory Board members as of the end of that Ordinary General Shareholders' Meeting was four (4) (including two (2) outside Audit & Supervisory Board members).
- The bonuses stated above are the amounts that the Company plans to pay to four (4) directors excluding outside directors as of the end of FY2024, giving consideration to business performance for FY2024, with the approval of Proposal No. 3 "Payment of Bonuses to Directors" for this General Shareholders' Meeting.

## **Proposal No. 4      Continuation of the Response Policy on Large-Scale Purchases of the Company's Shares (Response Policy on Acquisitions)**

The Company initially implemented “Measures Concerning Large-Scale Purchases of the Company's Shares (Anti-Takeover Measures)” by resolution of the Board of Directors meeting on April 21, 2007, and most recently obtained approval to continue these Measures (“the Current Plan”) at its 65th Ordinary General Shareholders' Meeting held on June 14, 2022. The Current Plan will expire as of the conclusion of the 68th Ordinary General Shareholders' Meeting to be held in June 2025 (“this General Shareholders' Meeting”). The Company has decided to continue the Current Plan as one of the initiatives for securing and enhancing the corporate value of the Company, as well as the common interests of shareholders in light of the changes in social and economic conditions, various trends related to anti-takeover measures, and the progress of numerous discussions, provided that approval is obtained from the shareholders at this General Shareholders' Meeting (the updated “Response Policy on Large-Scale Purchases of the Company's Shares (Response Policy on Acquisitions)” shall be referred to as “the Plan”). All of the Company's Audit & Supervisory Board members attended the relevant meeting of the Board of Directors. They have all expressed an opinion to agree with the continuation of the Plan on the condition that specific operation of the Plan is implemented properly.

This policy, which will be proposed at this Ordinary General Shareholders' Meeting, is a response policy regarding any purchase of the Company's shares, etc. for the purpose of increasing the ratio of voting rights of a specified shareholder group to 20% or more, or any purchase of the Company's shares, etc. that would result in the ratio of voting rights of a specified shareholder group becoming 20% or more (hereinafter such purchasing acts are referred to as “Large-Scale Purchases,” and a person who intends to make such a purchase by himself/herself alone or jointly or in concert with others is referred to as a “Large-scale Purchaser”). At this point in time, the Company has not been approached or offered any proposal for a Large-scale Purchase. However, we have established this policy so that our shareholders can make a decision based on necessary and sufficient information and time in the event that we are approached or offered a proposal for a Large-scale Purchase in the future.

The details of this policy are as follows.

### **I. Basic Policy Regarding Persons Who Control Decisions on Financial and Business Policies of the Company**

The Company believes that in the event of a large-scale purchase of the Company's shares, the decision on whether to accept or reject the offer should ultimately rest with the shareholders.

Nonetheless, the Company recognizes that among those large-scale purchases or offers for purchase of shares are cases that are unlikely to contribute to the corporate value of a company or the common interests of its shareholders, such as a purchase or offer for purchase with a purpose containing the risk of clearly harming corporate value, as well as the common interests of shareholders, or the risk of virtually forcing shareholders to sell shares, a purchase or offer for purchase that does not provide a reasonable time period or information necessary for the board of directors and shareholders of the subject company to examine and judge the contents of the purchase, or for the board of directors of the subject company to present an alternative proposal, a purchase or offer for purchase in which the purchase price, method, and other terms are inappropriate for the corporate value of the subject company and its shareholders, and a purchase or offer for purchase with the risk of harming the relationships between the subject company and its stakeholders.

The Company believes any party who pursues such large-scale purchase or offer for purchase that has the risk of harming not only the corporate value of the Company but also the common interests of shareholders is inappropriate as a party who controls the decisions on financial and business policies of the Company.

### **II. Initiatives to Contribute to the Realization of the Basic Policy**

#### **1. Source of Corporate Value**

##### **(1) Corporate Philosophy and “Purpose, Vision, and Values”**

Ever since its founding in 1957, the Company has strived based on its corporate philosophy to contribute to society by pursuing rice cracker manufacturing technologies and providing customers with high-quality products. During this time, the Company continued to gain high trust and support from its shareholders and stakeholders.

##### **● Corporate Philosophy**

##### **[Founding Philosophy]**

During the food shortages in Japan immediately after World War II, our founder felt that “Men can find pleasure in drinking, but there is no enjoyment for women and children. I want to give them something that can bring enjoyment and delight to their

lives.” With no experience, he began making mizuame - a thick, clear and sticky starch syrup. This became our founding philosophy, and KAMEDA SEIKA was born.

[Mission Statement] 製菓展道立己 (*Seika-Tendo-Rikki*)

As a manufacturer and seller of rice crackers and snacks, we will explore the path to find our identity by seeking to grow through refining management and operation widely, including manufacturing technology, product development, and market development. Our identity refers to the Company itself and each individual employee making up the Company. We will work together to improve our social and economic standing.

[Management Philosophy] - Respond to the needs of all those involved with the Company  
- Ensure the Company flourishes forever

[Basic Management Policy] - Manage the Company democratically  
- Refrain from using the Company for personal gain  
- Be dedicated to planned management

In formulating the Medium-to-Long-Term Growth Strategy 2030, the Company, taking into account changes in the business environment surrounding it and aiming for sustainable growth, has restructured its existing philosophy framework into one aligned with the times and more distinctive of Kameda, shared it with stakeholders, and is working toward the realization of a sustainable society.

## ● KAMEDA SEIKA Group’s Purpose, Vision, and Values

[Purpose] Better For You

Contributing to a nice lifestyle with the blessings of rice to further refine the value of excellent flavor, health, and excitement

[Vision] Rice Innovation Company

Transforming from a snack manufacturer into a Rice Innovation Company, maximizing the potential of rice to create new value and new markets around the world.

[Values] Kameda’s Craftsmanship

Filled with love for people and nature

Full of Humanity

Applying the finest ideas and technologies

Be Professional

Enjoy taking on new challenges

Enjoy the Challenge

## (2) Our Strengths

Rice crackers are snacks unique to Japan that have continued to develop and be passed on along with rice culture. The Company took the lead in implementing mass production technology for rice crackers and establishing a sales network, as well as worked to expand the rice cracker market in Japan by releasing a variety of brands, such as KAMEDA Kaki-no-Tane and Happy Turn, on top of the traditional rice crackers, and has maintained a high market share as a top manufacturer over many years.

The Company believes that its core strengths are as follows: (i) High rice processing technologies and product development capabilities underpinned by those technologies; (ii) Production know-how attained by establishing mass-production technology in rice cracker manufacturing, which was formerly a cottage industry, and continuing to stably provide high-quality products; (iii) Widely recognized as the number one manufacturer of rice crackers, KAMEDA SEIKA, with strong, long-selling brands such as KAMEDA Kaki-no-Tane and Happy Turn; (iv) Quality assurance system and framework for delivering safe and reliable products; and (v) Workers who adequately understand and embody the Company’s corporate philosophy, Mission and Vision.

Also, overseas, the Company began producing and selling rice crackers in North America in 1989. In recent years, we have been accelerating our overseas expansion in the Better For You market for organic, gluten-free, and other types of health-conscious foods, which have been growing in North America. At the same time, we are pursuing business development in each of the Asian countries in addition to production sites for our cross-border business as we look ahead to the potential expansion of demand for rice crackers in the future.

In addition, the Company is maximizing its strengths in rice-related expertise by expanding its food business initiatives to help solve social issues, including efforts related to the long-life preserved food Alpha Rice, 28-allergen-free rice flour bread for people with food allergies, plant-based lactic acid bacteria derived from rice, and plant-based foods (meat alternatives) utilizing rice cracker processing technology.

We believe that pursuing management on a long-term perspective by leveraging these strengths built on the source of corporate value will contribute to enhancing the corporate value of the Company as well as the common interests of shareholders.

## **2. Initiatives to Improve Corporate Value Based on the Medium-term Business Plan**

The Company is working toward the execution of its Medium-to-Long-Term Growth Strategy 2030. The Company's reason for existence is to refine the blessings of rice into the values of excellent flavor, health, and excitement, and to contribute to the healthy lifestyles of customers as a "Better for You" company, and it aims to achieve sustainable growth and enhance corporate value by realizing its vision of becoming a "Rice Innovation Company" that maximizes the potential of rice to create new value and new markets around the world.

In the domestic rice cracker business, the Company is accelerating the shift to a competitive strategy that emphasizes product appeal and unique value propositions, while also working to strengthen its revenue base by establishing stable supply chain management. In addition, it will contribute to solving social issues by reducing the amount of waste generated through its business activities and promoting the efficient use of resources.

In the overseas business, the Company is pursuing global expansion by capturing demand for gluten-free snacks, continuing to grow sales in North America and Asia, and working to strengthen profitability through transformation of its business structure.

In the food business, the Company is working to monetize seed-stage businesses that address social needs such as disasters, environmental issues, allergies, and food shortages, while also pursuing expansion into overseas markets.

## **3. Initiatives Toward Strengthening Corporate Governance**

In order to build a sound management system for heightened risks associated with globalization and other trends, and to realize an advanced monitoring model using outside directors, the Company has made its own decision to have a Board of Directors highly independent outside directors comprising a majority of directors in addition to clarifying the division of roles of management supervision and execution functions, and has introduced an Executive Officer system to expedite the speed of business execution. In addition, as a company with an Audit & Supervisory Board, the Company is strengthening functions for auditing and monitoring management while effectively utilizing the functions of Audit & Supervisory Board members.

Moreover, in order to further ensure the objectivity, transparency, and fairness of procedures related to the nomination and remuneration of directors, and to further enhance the corporate governance system, the Company has established the Nominating and Remuneration Committee as a voluntary advisory body to the Board of Directors.

By carrying out these initiatives, the Company strives to secure and enhance the corporate value of the Company as well as the common interests of shareholders.

## **III. Measures to Prevent Decisions on Financial and Business Policies of the Company from Being Controlled by Inappropriate Parties in the Context of Its Basic Policy**

### **1. Purpose for Continuing the Plan**

In recent years, there have been moves on the capital market where massive purchases of shares are made without adequate disclosure of investment purpose and other relevant information to shareholders, investors, and other stakeholders. The Company views that there is not a low possibility of such purchases to result in harming the corporate value and the common interests of shareholders (abusive takeovers).

The Financial Instruments and Exchange Act includes certain restrictions on abusive takeovers, but the current Financial Instruments and Exchange Act may not be effective in various ways as it neither legally ensures the provision of information and time to review such information before the launch of a large-scale purchase, nor legally restricts acts of buying up shares in the market.

The Company believes that in the event that a large-scale purchase of the Company's shares is intended, securing the necessary information and time for shareholders to make an appropriate judgment on whether to agree to such large-scale purchase, or for the Company's Board of Directors to propose an alternative plan to shareholders and negotiate with the purchaser, etc., based on a certain set of reasonable rules, would conform to corporate value as well as the common interests of shareholders.

For this reason, the Company has set a certain set of rules regarding the provision of information and time to give consideration in the event of a large-scale purchase ("Large-scale Purchase Rules"), and decided to continue the Plan as part of the efforts to prevent the Company's decisions on financial and business policies



from being controlled by an inappropriate party in light of the basic policy, provided that approval is obtained from shareholders at this General Shareholders' Meeting.

Refer to Attachment 1 for a flow diagram of the Plan.

## **2. Purchases of the Company's Shares to Which the Plan Applies**

"Purchases of the Company's shares to which the Plan applies" refers to:

- (i) A purchase of the Company's share certificates, etc. (Note 3) intended to cause the ratio of voting rights (Note 2) of a specified shareholder group (Note 1) to reach 20% or more,
- (ii) A purchase of the Company's share certificates, etc. that would result in the ratio of voting rights of a specified shareholder group becoming 20% or more, or
- (iii) Regardless of whether or not the acts stipulated in (i) or (ii) above are carried out, it refers to any act conducted by the specified shareholder group of the Company with other shareholders of the Company (including cases where there are multiple such shareholders; the same shall apply hereinafter in this item (iii)) which, as a result of such act, causes such other shareholders to fall under the category of joint holders of the specified shareholder group, or any agreement or other act that establishes a relationship between the specified shareholder group and such other shareholders wherein one substantially controls the other or they act jointly or in cooperation (Note 4), or any act that establishes such a relationship (Note 5) (provided, however, that this applies only in cases where the combined ratio of voting rights of the specified shareholder group and such other shareholders with respect to the share certificates, etc. issued by the Company would become 20% or more). (This shall apply regardless of whether the specific method of acquisition is through market transactions, tender offers, or otherwise, unless the Company's Board of Directors has given prior consent to any of the above; hereinafter, such acquisition shall be referred to as a "Large-scale Purchase," and any person who conducts or intends to conduct such purchase alone or jointly or in cooperation with others shall be referred to as a "Large-scale Purchaser.")

Note 1: "Specified shareholder group" refers to:

- (i) A holder (including parties deemed as holders pursuant to Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act, including parties deemed as holders pursuant to paragraph (3) thereof; the same applies hereinafter) and joint holders (as stipulated in Article 27-23, paragraph (5) of the Financial Instruments and Exchange Act, including parties deemed as a joint holder pursuant to paragraph (6) thereof; the same applies hereinafter) of the Company's share certificates, etc., (as stipulated in Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act),
- (ii) Any party conducting purchase, etc. (as stipulated in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act, including any purchase, etc. made on a market operated by a financial instruments exchange) of the Company's share certificates, etc. (as stipulated in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act), and its specially related party (as stipulated in Article 27-2, paragraph (7) of the Financial Instruments and Exchange Act),
- (iii) Related parties of the persons in (i) or (ii) above (meaning a group composed of persons who have entered into financial advisory agreements with such persons, such as investment banks, securities companies, or other financial institutions, persons who share substantial common interests with such persons, tender offer agents, attorneys, certified public accountants, or other advisors, or persons who are substantially controlled by such persons or are recognized by the Company's Board of Directors as acting jointly or in cooperation with such persons), or
- (iv) Persons who have acquired share certificates, etc. of the Company from any of the persons listed in (i) through (iv) through off-market negotiated transactions or off-auction trading on the Tokyo Stock Exchange (ToSTNeT-1).

Note 2: "Ratio of voting rights" refers to:

- (i) In the case where the specified shareholder group is as given in Note 1 (i), the holding ratio of share certificates, etc., of the said holder (as stipulated in Article 27-23, paragraph (4) of the Financial Instruments and Exchange Act. In this case, the number of share certificates, etc., held (the number of share certificates, etc., held provided for in the said paragraph; the same shall apply hereinafter) by a joint holder of the said holder shall be aggregated); or
- (ii) In the case a specified shareholder group is as given in Note 1 (ii), the total of the holding ratio of share certificates, etc., and that of the Large-scale Purchaser and its specially related party (the holding ratio of share certificates, etc., as stipulated in Article 27-2, paragraph (8) of the Financial Instruments and Exchange Act).

When calculating each ratio of voting rights, whichever of the Company's annual securities report, semiannual report, or share repurchase report that has been most recently submitted to the authorities may be used to determine the total number of issued shares (as stipulated in Article 27-23, paragraph (4) of the Financial Instruments and Exchange Act) and the total number of voting rights (as stipulated in Article 27-2, paragraph (8) of the Financial Instruments and Exchange Act).

Note 3: "Share certificates, etc." refer to share certificates, etc., stipulated in Article 27-23, paragraph (1) or in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act.

Note 4: The determination of whether "a relationship between the specified shareholder group and such other shareholders wherein one substantially controls the other or they act jointly or in cooperation" has been established shall be made based on the formation of substantial interests in the Company's share certificates, etc. through new capital relationships,

business alliances, transactional or contractual relationships, concurrent officer appointments, funding relationships, credit relationships, or through the use of derivatives or share lending, and also based on the influence, whether direct or indirect, that the specified shareholder group and the said other shareholders may exert on the Company.

Note 5: The determination of whether the acts specified in item (iii) of the main text have been conducted shall be made by the Company's Board of Directors based on a reasonable judgment (and in making such judgment, the recommendation of the Independent Committee shall be given the utmost respect). In addition, the Company's Board of Directors may, to the extent necessary for determining whether the requirements set forth in item (iii) of the main text are met, request the Company's shareholders to provide the necessary information.

### **3. Establishment of the Independent Committee**

The Company's Board of Directors shall make the final determination on whether the Large-scale Purchase Rules have been adhered to, or, even when the Large-scale Purchase Rules have been adhered to, whether to take countermeasures on the grounds that the respective Large-scale Purchase could significantly harm the corporate value of the Company as well as the common interests of shareholders. To ensure that the Plan is appropriately operated and to prevent arbitrary decisions to be made by the Company's Board of Directors and secure the objectiveness and reasonableness of such decisions, the Company establishes the Independent Committee similarly as the Current Plan (see Attachment 2 for an outline of the Independent Committee). The Independent Committee shall consist of three or more members who are to be appointed from among outside directors and outside Audit & Supervisory Board members of the Company who are independent from the management carrying out business execution of the Company and outside specialists (Note) so as to enable fair and neutral decision-making. The Independent Committee is composed of five members: Minesaburo Miyake, Takayuki Kanai, Toshimasa Iue, Kazuyoshi Aoki, and Akihiro Ito (see Attachment 3 for the career summary of each member).

The Independent Committee shall provide advice to the consultation sought from the Company's Board of Directors with regard to the decision on whether the Large-scale Purchaser adhered to the Large-scale Purchase Rules, the decision on whether to execute countermeasures, the decision on suspension, etc., of countermeasures once executed, and the like, and the Company's Board of Directors shall give the utmost respect possible to the advice provided by the Independent Committee. A summary of the advice by the Independent Committee shall be made public when appropriate.

To ensure that the decisions of the Independent Committee contribute to the corporate value of the Company as well as the common interests of shareholders, the Independent Committee may, at the cost of the Company, obtain advice from outside experts who are independent third parties (including financial advisors, certified public accountants, attorneys at law, consultants, and other experts) and others as necessary.

Note: Outside specialists refer to corporate managers with extensive experience with management, former bureaucrats, persons well versed in investment banking operations, attorneys at law, certified public accountants, academic experts whose key research areas include the Companies Act, and other equivalent persons.

### **4. Summary of Large-Scale Purchase Rules**

#### **(1) Prior submission of Letter of Intent by the Large-scale Purchaser to the Company**

A Large-scale Purchaser planning to make a Large-scale Purchase shall submit to the Company's Representative Director a Letter of Intent written in Japanese that provides the information set forth below, including a legally binding pledge to adhere to the Large-scale Purchase Rules, before making a Large-scale Purchase or proposing a Large-scale Purchase.

- (i) Name and address of Large-scale Purchaser
- (ii) Law governing the incorporation
- (iii) Name of representative
- (iv) Contact address in Japan
- (v) Outline, etc., of the proposed Large-scale Purchase
- (vi) Pledge to adhere to the Large-scale Purchase Rules set out in the Plan

When the Company's Board of Directors receives the Letter of Intent from a Large-scale Purchaser, the Company shall promptly make public that it has received such Letter of Intent, and when necessary, the details of that Letter.

#### **(2) Provision of necessary information**

Within ten business days from the date following the day when receiving the Letter of Intent given in (1) above, the Company's Board of Directors shall send the Large-scale Purchaser a document that provides a list of necessary and sufficient information ("Necessary Information"; and such list as the "Necessary Information List") that the Large-scale Purchaser should initially submit so that the Company's shareholders can make a

decision and the Company's Board of Directors can form an opinion, and the Large-scale Purchaser shall submit in writing the Necessary Information according to the Necessary Information List to the Company's Board of Directors. While the specific information will depend on the attributes of the Large-scale Purchaser and the details of the Large-scale Purchase, it shall be limited, in all cases, to information necessary and sufficient for shareholders to make a decision and for the Company's Board of Directors to form an opinion.

The following are general items included in the Necessary Information.

- (i) Details (including the name, business description, career summary or history, capital structure, and description of financial conditions) of the Large-scale Purchaser and its specified shareholder group (including joint holder(s), specially related parties and, in the case of a fund, partners and other members)
- (ii) Purpose, method and details of the Large-scale Purchase (including the amount and type of compensation for the Large-scale Purchase, timing of the Large-scale Purchase, scheme of related transactions; legality of the method for the Large-scale Purchase, probability of being successful in the Large-scale Purchase and related transactions, etc.)
- (iii) Basis of calculation of the purchase price of the Large-scale Purchase (including the facts forming the assumptions, the method of calculation; numerical information used in the calculation; and the details of the synergy expected to occur from a series of transactions related to the Large-scale Purchase)
- (iv) Explanation on the source of funds for the Large-scale Purchase (including the specific name of the provider of the funds (including substantial providers of funds), funding methods and the details of any related transactions)
- (v) Candidates for corporate officers of the Company and Group Companies after completion of the Large-scale Purchase (including information concerning experience, etc., in the business of the Company and its Group), management policy, business plan, capital strategies, dividend policy, etc.
- (vi) Any changes related to the relationship between the Company (including Group Companies) and its business partners, customers, employees and other stakeholders of the Company and Group Companies after completing the Large-scale Purchase and the details of any such changes

The Company's Board of Directors may set a deadline for the Large-scale Purchaser to provide information when necessary from the perspective of quickly applying the Large-scale Purchase Rules. However, if the Large-scale Purchaser requests an extension for a rational reason, the deadline can be extended. If as a result of carefully examining the information initially provided by the Large-scale Purchaser based on the above, the Company's Board of Directors determines that the Necessary Information is insufficient for evaluating and reviewing the Large-scale Purchase, the Company's Board of Directors may request that the Large-scale Purchaser provide additional information so that the Necessary Information is fully available after setting a suitable deadline for submitting that information (the deadline shall be no more than 60 days from the date the Necessary Information was initially received).

If the Company's Board of Directors determines that the Large-scale Purchaser has provided the necessary and sufficient information to evaluate and review the Large-scale Purchase, the Company's Board of Directors shall send the Large-Scale Purchaser notification to that effect and disclose the fact publicly. If even though the Company's Board of Directors had requested provision of information in addition to the Necessary Information, the Large-scale Purchaser does not submit some information but has a reasonable explanation for not doing so, there may be situations where activities such as negotiations with the Large-scale Purchaser regarding the provision of information, etc., will be concluded even when the Necessary Information requested by the Company's Board of Directors has not been provided in full, the public will be notified to that effect, and the Company's Board of Directors may begin its evaluation and review given in (3) below. The Necessary Information provided to the Company's Board of Directors shall be promptly submitted to the Independent Committee, and if the information is deemed necessary for shareholders to make a decision, all or some of the information shall be made public when determined appropriate by the Company's Board of Directors.

(3) Evaluation, review, etc., by the Company's Board of Directors

After the Large-scale Purchaser finishes providing the Necessary Information to the Company's Board of Directors, the Board of Directors shall set a length of time to conduct an evaluation, review, undertake negotiations, form an opinion, and formulate an alternative plan ("Board of Directors Evaluation Period") that is appropriate for the magnitude of difficulty of conducting those activities, but that period shall not exceed 60 days if the proposed purchase is a tender offer bid for all shares of the Company using only cash (yen), and shall not exceed 90 days for other Large-scale Purchases. During the Board of Directors Evaluation Period, while receiving advice from outside experts who are independent third parties (financial advisors, certified public accountants, attorneys at law, consultants and other experts), etc., as necessary, the Company's Board of Directors shall fully examine and evaluate the submitted Necessary Information and, upon giving the utmost respect possible to the advice from the Independent Committee, carefully compile and make public its opinion.

In addition, the Company's Board of Directors may conduct negotiations with the Large-scale Purchaser regarding improvements to the terms concerning the Large-scale Purchase when necessary and provide the Company's shareholders with an alternative proposal.

## **5. Response Policy in the Event of a Large-scale Purchase**

### **(1) If the Large-scale Purchaser adheres to the Large-scale Purchase Rules**

If the Large-scale Purchaser adheres to the Large-scale Purchase Rules, the Company's Board of Directors shall, even if it is opposed to the Large-scale Purchase, limit its actions to convincing shareholders by expressing its opinion against the proposed Large-scale Purchase and indicating an alternate plan but, as a general rule, shall not execute countermeasures against the Large-scale Purchase. Shareholders shall decide whether to agree to the Large-scale Purchaser's purchase plan, taking into consideration the proposed Large-scale Purchase and the Company's opinion regarding such proposed Large-scale Purchase, the alternate plan, etc.

Even if the Large-scale Purchaser adheres to the Large-scale Purchase Rules, if the Company's Board of Directors determines that the purchase will significantly damage the corporate value of the Company, as well as the common interests of its shareholders, which includes situations such as the Large-scale Purchase being one of the following (i)-(viii), and as a result will cause the Company damage that would be difficult to recover from, the Company's Board of Directors may, as an exception and in accordance with its duty of due care of a prudent manager, execute countermeasures, including gratis allotment of stock acquisition rights, as permitted by the Companies Act, other laws, and the Company's Articles of Incorporation.

- (i) Cases where the Large-scale Purchaser is found to be a party who does not have any true intention to participate in management of the Group and is purchasing the shares of the Company only for the purpose of selling the shares of the Company to a related party of the Company at a high price after driving the share price higher (so-called greenmailer)
- (ii) Cases where the Large-scale Purchaser is found to be purchasing the shares the Company for the purpose of pursuing so-called scorched earth management, as in transferring such assets of the Company as intellectual property rights, know-how, corporate secrets, major business partners or customers that are necessary for the business operation of the Company to the Large-scale Purchaser or its group companies, etc., by temporarily acquiring control over the corporate management of the Group
- (iii) Cases where the Large-scale Purchaser is found to be purchasing shares of the Company for the purpose of using the assets of the Group as collateral for, or the source of funds to repay, debts of the Large-scale Purchaser or its group companies, etc., after acquiring control over the corporate management of the Group
- (iv) Cases where the Large-scale Purchaser is found to be purchasing the shares of the Company for the purpose of temporarily acquiring control over the corporate management of the Group and disposing high-value assets, etc., such as real estate and securities, that are not currently related to the business of the Group by selling, etc., and temporarily paying higher dividends from the disposition proceeds, or deliberately selling the shares of the Company at a high price as the share price surges during the period of the said temporarily higher dividends
- (v) Cases where the method of purchase of the shares of the Company proposed by the Large-scale Purchaser is found to impose restrictions on the opportunity or freedom of shareholders to make a decision by way of so-called coercive two-tier tender offer (the method of carrying out a tender offer in two steps where the Large-scale Purchaser does not solicit the sale of all shares of the Company in the first stage while specifying unfavorable terms and conditions for purchase in the second stage or not clarifying the terms and conditions for purchase in the second stage) and shareholders could be effectively forced to sell the shares of the Company
- (vi) Cases where it is determined that the acquisition terms proposed by the Large-scale Purchaser (including but not limited to the type and amount of compensation for the share, basis for calculating the amount, and other specific contents, legality and feasibility of other terms) are markedly insufficient or inappropriate considering the Company's corporate value
- (vii) Cases where it is determined that the Large-scale Purchaser obtaining control will conspicuously harm the corporate value of the Company as well as the common interests of its shareholders by activities such as destroying the relationships with not only the Company's shareholders but also customers, employees, local communities and other stakeholders
- (viii) Cases where it is determined that because aspects such as the Large-scale Purchaser's post-purchase management policy, etc., are insufficient or inappropriate, it may undermine the growth potential and

stability of the Company's business and dramatically hinder efforts to protect and enhance the Company's corporate value as well as the common interests of its shareholders

(2) If the Large-scale Purchaser does not adhere to Large-scale Purchase Rules

If the Large-scale Purchaser does not adhere to the Large-scale Purchase Rules, the Company's Board of Directors may oppose the Large-scale Purchase regardless of the specific method of purchase and execute countermeasures permitted by the Companies Act, other laws, and the Company's Articles of Incorporation, including the gratis allotment of stock acquisition rights, to protect the Company's corporate value as well as the common interests of its shareholders. In determining whether or not the Large-scale Purchase Rules have been adhered to, the circumstances of the Large-scale Purchaser shall be adequately considered to the extent reasonable, and, at least, it shall not be determined that Large-scale Purchase Rules have not been adhered to solely on the grounds that part of the Necessary Information has not been submitted.

(3) Board of Directors' resolution and convening a General Shareholders' Meeting

When deciding whether to execute countermeasures discussed in (1) or (2) above, the Company's Board of Directors shall pass a resolution as a body stipulated by the Companies Act regarding issues, such as whether to execute countermeasures, after seeking advice of the Independent Committee and giving the utmost respect possible to the advice thereof and fully reviewing issues such as the necessity and reasonableness of the countermeasures.

The specific measures taken shall be those that the Company's Board of Directors determine to be the most appropriate at that time. An outline of the case when the Company's Board of Directors conducts a gratis allotment of stock acquisition rights as one example of a specific countermeasure is given in Attachment 4, as a general rule. In an event where the Company actually implements gratis allotment of stock acquisition rights, the exercise period and other conditions for exercise may be stipulated that take into consideration the effectiveness of countermeasures, and these could include one of the conditions for exercising stock acquisition rights as being a shareholder who is not part of a specified shareholder group that holds a certain percentage or more of voting rights. However, in that case, it is not envisioned that the Company would provide cash to acquire the stock acquisition rights held by the Large-scale Purchaser.

If the Independent Committee advises on the execution of countermeasures and requests that a General Shareholders' Meeting regarding a resolution to execute the countermeasures be held to confirm the intent of the shareholders (the "Shareholders' Intent Confirmation Meeting") the Company's Board of Directors may set a period of time, not to exceed 60 days, for shareholders to fully review whether to execute the countermeasures in the Plan (the "Shareholder Review Period") and convene the Shareholders' Intent Confirmation Meeting within the Shareholder Review Period.

If the Company's Board of Directors passes a resolution on convening a Shareholders' Intent Confirmation Meeting and determining a record date, the Board of Directors Evaluation Period shall end on that day, and the Shareholder Review Period shall begin immediately.

When convening the Shareholders' Intent Confirmation Meeting, the Company's Board of Directors shall provide shareholders with written material that includes necessary information provided by the Large-scale Purchaser and the opinion of the Company's Board of Directors regarding the necessary information, and the alternative plan of the Company's Board of Directors and any other information that the Company's Board of Directors judges appropriate, along with the notice of convocation of the General Shareholders' Meeting, and shall disclose that it will do so in a timely and appropriate manner.

The Company's Board of Directors shall adhere to the resolution regarding whether to execute countermeasures passed at the Shareholders' Intent Confirmation Meeting. If a resolution to execute the countermeasures is not adopted at the Shareholders' Intent Confirmation Meeting, the Company's Board of Directors shall not execute countermeasures.

The Shareholder Review Period shall end at the close of the Shareholders' Intent Confirmation Meeting, and the results of the meeting shall be disclosed in a timely and appropriate manner after the resolutions are passed.

(4) Large-scale Purchase waiting period

The Large-scale Purchase waiting period shall be from the date on which the Letter of Intent described in III 4. (1) "Prior submission of Letter of Intent by the Large-scale Purchaser to the Company" above was submitted to the Company's Board of Directors to the end of the Board of Directors Evaluation Period if a Shareholder Review Period is not set, or to the end of the combined period of the Board of Directors Evaluation Period and the Shareholder Review Period if a Shareholder Review Period is set. Large-scale Purchases cannot be conducted during the Large-scale Purchase waiting period. Therefore, Large-scale Purchases can only be launched after the Large-scale Purchase waiting period is over.

(5) Suspension of the execution of countermeasures, etc.

If, after it is resolved at a Company's Board of Directors meeting or a General Shareholders' Meeting to execute specific countermeasures as discussed in (3) above, the Company's Board of Directors determines it is inappropriate to execute the countermeasures for any of various reasons, such as the Large-scale Purchaser withdrawing or changing the Large-scale Purchase plan, the Board of Directors may suspend execution or change the countermeasures after giving adequate respect to the opinion or advice of the Independent Committee.

In an event where, for example, gratis allotment of stock acquisition rights is conducted as a countermeasure, if, after the shareholders who should receive the allotment of rights have been determined, the Board of Directors determines that it is inappropriate to execute the countermeasures for any of various reasons, such as the Large-scale Purchaser withdrawing or changing the Large-scale Purchase plan, the Board of Directors can take such steps as suspending the execution of the countermeasures by discontinuing the gratis allotment of stock acquisition rights up to the day preceding the date when the said rights come into effect, or having the Company acquire the said stock acquisition rights without contribution (the stock acquisition rights of shareholders will lapse as a result of the Company acquiring the stock acquisition rights without contribution) after the allotment of stock acquisition rights, but before the day preceding the start date of the exercise period, or by means of another method after giving the utmost respect possible to the advice of the Independent Committee.

If the execution of countermeasures is suspended in this way or there is a similar development, such decision shall be disclosed in a timely and appropriate manner in line with laws and regulations, listing rules of the financial instrument exchange the Company is listed on, etc., along with the matters recognized as necessary by the Independent Committee.

**6. Commencement of Application, Effective Period, Continuation and Abolishment of the Large-scale Purchase Rules**

Given the approval at this General Shareholders' Meeting, the Plan shall go into effect as of the same date, and its effective period shall be until the conclusion of the 71st Ordinary General Shareholders' Meeting scheduled to be held in June 2028.

Even after approval for continuation is given at this General Shareholders' Meeting, the Plan will be abolished at the time a resolution to abolish the Plan is passed at the Company's General Shareholders' Meeting or Board of Directors meeting. Furthermore, even if the Plan has yet to expire, the Company's Board of Directors may review the Plan as needed from the perspective of improving the corporate value as well as the common interests of shareholders and revise the Plan upon receiving approval at a General Shareholders' Meeting of the Company. When the Company's Board of Directors reaches a decision on continuation, revision, abolition, etc., of the Plan in this way, the Company shall promptly disclose the details of such decision.

Even if the Plan has yet to expire, in an event where it is appropriate to reflect newly established, revised, or repealed laws and regulations, listing rules of the financial instruments exchange, etc., related to the Plan, to make corrections to words or phrases due to reasons including typographical errors, or to take similar steps and such steps do not cause disadvantage to shareholders, the Company's Board of Directors may make corrections or revisions to the Plan upon receiving concurrence of the Independent Committee as necessary.

**Supplementary Explanations**

Details of the Plan are as previously described. The following explains (1) the impact of the Plan on shareholders and (2) the rationality of the Plan.

(1) Impact, etc., of the Plan on Shareholders and Investors

(i) Impact, etc., of the Large-scale Purchase Rules on shareholders and investors

The Large-scale Purchase Rules in the Plan are set to provide the necessary information for shareholders to decide whether or not to agree to a Large-scale Purchase and the opinion of the Company's Board of Directors, who are currently responsible for managing the Company, and to ensure an opportunity for shareholders to receive an alternative plan. By having the Large-scale Purchase Rules, shareholders will be able to obtain sufficient information and the proposal to make an appropriate decision regarding whether or not to agree to a Large-scale Purchase. Hence, the Company believes that this will protect the corporate value of the Company as well as the common interests of shareholders. Therefore, the Company believes that the establishment of Large-scale Purchase Rules is a precondition for shareholders and investors to make an appropriate decision and will contribute to the interests of shareholders and investors.

As described in 5. "Response Policy in the Event of a Large-scale Purchase" above, because the Company's measures to address a Large-scale Purchase depend on whether the Large-scale Purchaser adheres to the Large-

scale Purchase Rules, it is advisable for the shareholders and investors to pay close attention to what Large-scale Purchasers do.

(ii) Impact on shareholders and investors if countermeasures are executed

The Company's Board of Directors may take countermeasures stated above in 5. "Response Policy in the Event of a Large-scale Purchase" to protect the corporate value of the Company as well as the common interests of shareholders, and if the Company's Board of Directors decides to execute specific countermeasures, the Company shall disclose the decision in a timely and appropriate manner in line with laws and regulations, listing rules of the financial instrument exchange the Company is listed on, etc.

Based on the mechanism of these countermeasures, when executing countermeasures, the Company does not assume situations where shareholders (excluding Large-scale Purchasers who do not adhere to the Large-scale Purchase Rules and any Large-scale Purchasers who pursue Large-scale Purchases that are recognized to harm the Company that would be difficult to recover from) will incur particular losses to their legal rights and economic interests. If gratis allotment of stock acquisition rights is undertaken, for example, as a countermeasure, shareholders recorded on the shareholder register as of the record date for the allotment of stock acquisition rights are allotted stock acquisition rights without contribution proportional to the number of shares they hold. Furthermore, in the case where the Company decides to proceed with the procedure for acquiring these stock acquisition rights, shareholders (excluding Large-scale Purchasers who do not adhere to the Large-scale Purchase Rules and any Large-scale Purchasers who pursue Large-scale Purchases that are recognized to harm the Company that would be difficult to recover from) will receive the shares of the Company in exchange for the acquisition of the stock acquisition rights by the Company and hence will not incur particular losses to their legal rights and economic interests.

If the Company discontinues the allotment of stock acquisition rights or acquires the allotted stock acquisition rights without contribution (the stock acquisition rights of shareholders will lapse as a result of the Company acquiring the stock acquisition rights without contribution) in line with a decision by the Company's Board of Directors, shareholders and investors, who have traded or taken other actions assuming the Company's per share value would be diluted, may incur unforeseen losses due to changes in the share price.

If the Large-scale Purchaser, etc., does not adhere to the Large-scale Purchase Rules, or, even when adhering to the Large-scale Purchase Rules, the Large-scale Purchase is determined to conspicuously harm the corporate value of the Company and the common interests of shareholders, countermeasures will be executed, which may result in losses to arise in terms of legal rights or economic interests. The Plan is made public to call for attention in advance so that Large-scale Purchasers do not violate the Large-scale Purchase Rules.

(iii) Procedures required of shareholders if countermeasures are executed

If countermeasures such as a gratis allotment of stock acquisition rights are executed, the allotment will be made to shareholders recorded in the shareholder register as of the allotment date for such stock acquisition rights. Shareholders will receive the allotment of stock acquisition rights without needing to submit a subscription application, and because the Company will undertake procedures to acquire the share acquisition rights, shareholders will receive Company shares as consideration for the Company's acquisition of such rights without having to pay in an amount equivalent to the exercise price of the stock acquisition rights, and therefore procedures such as application or payment will not be necessary. However, in such case, the Company may request shareholders who receive the allotment of stock acquisition rights to submit a written document in the Company's designated format pledging that they are not a Large-Scale Purchaser, etc.

The details of these procedures will be disclosed appropriately and in a timely manner in accordance with applicable laws and regulations and the listing rules of the financial instruments exchange on which the Company is listed, at the time when the gratis allotment of stock acquisition rights is actually implemented.

(2) The Plan is in accord with the basic policy regarding control of the Company and the corporate value of the Company, in turn, the common interests of its shareholders, and its purpose is not to maintain the status of the Company's officers

The Company's Board of Directors has determined that the Plan is in accord with the basic policy and is not intended to harm either the corporate value of the Company or the common interests of shareholders, and its purpose is not to maintain the status of the Company's officers.

(i) Plan fully satisfies the requirements of the guidelines on the response policy for acquisitions

The Plan fully satisfies the three principles set forth in the Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (the principle of protecting and enhancing corporate value and shareholders' common interests, the principle of prior disclosure and shareholders' will, and the principle of ensuring the necessity and reasonableness), as well as the three principles set forth in the "Guidelines for Corporate Takeovers—Enhancing Corporate Value and Securing Shareholders' Interests—" announced by the Ministry of Economy, Trade and Industry on August 31, 2023 (the principle of corporate value and shareholders' common interests, the principle of shareholders' intent, and the principle of transparency). The Plan was also developed taking into consideration the report titled "Takeover Defense Measures in Light of Recent Environmental Changes," released on June 30, 2008, by the Corporate Value Study Group established in the Ministry of Economy, Trade and Industry, and "Principle 1.5 Anti-Takeover Measures" of Japan's Corporate Governance Code (last revised on June 11, 2021) initially released by the Tokyo Stock Exchange on June 1, 2015.

(ii) Continuation of the Plan to protect and enhance the common interests of shareholders

As noted previously in III. 1. "Purpose for Continuing the Plan," the continuation of this Plan is proposed for the purpose of securing and enhancing the corporate value of the Company as well as the common interests of shareholders in the case where a Large-scale Purchase of shares of the Company is proposed by securing information and time necessary for the shareholders to decide whether to accept the proposal for the Large-scale Purchase, or for the Board of Directors of the Company to present an alternative proposal, as well as by enabling the Company to negotiate with the Purchaser, etc., on behalf of its shareholders or to take similar actions.

(iii) Plan respects shareholders' intent

The Plan shall go into effect subject to approval of shareholders at this General Shareholders' Meeting and, since the intent of shareholders regarding the Plan will be questioned at this General Shareholders' Meeting, the continuation of the Plan reflects the intent of shareholders. Further, even after continuing the Plan is approved and in effect, in an event where a resolution to abolish the Plan is reached at a General Shareholders' Meeting of the Company, the Plan will be abolished at that time to reflect the intent of shareholders.

(iv) Respecting the judgment of highly independent outside parties

When determining the execution, etc., of countermeasures under the Plan, the Independent Committee comprised of members independent from business execution of the Company shall be consulted, and the advice of the committee shall be given the utmost respect possible. As such, a mechanism is in place for carrying out transparent operation of the Plan to contribute to the enhancement of corporate value of the Company as well as the common interests of shareholders.

(v) Establishment of rational and objective requirements

The Plan has been designed so that countermeasures are not executed unless rational, objective conditions, which have been set in advance, are satisfied, and a mechanism is in place to prevent an arbitrary execution of countermeasures by the Company's Board of Directors.

(vi) Obtaining the comments of independent outside experts

The Independent Committee may, at the cost of the Company, obtain advice of outside experts who are independent third parties (including financial advisors, certified public accountants, attorneys at law, consultants, and other experts). This makes the mechanism viable to secure the fairness and objectivity of judgment by the Independent Committee more strongly.

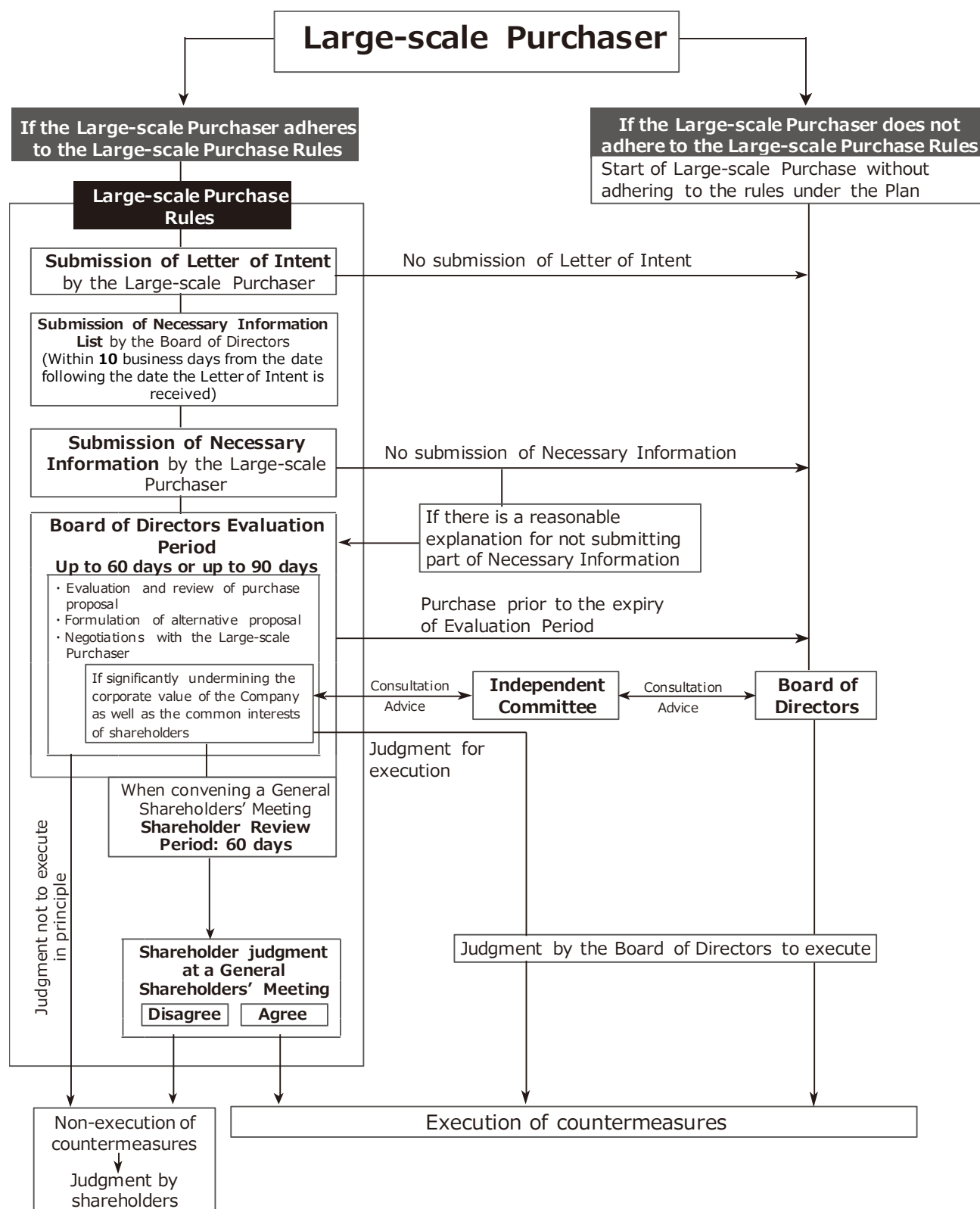
(vii) The response policy is not a dead-hand type or slow-hand type anti-takeover measure

The Plan may be abolished at any time by the Board of Directors consisting of directors who are appointed at a General Shareholders' Meeting of the Company, and it is possible that a party intending on pursuing Large-scale Purchase of the Company's shares elects director(s) it nominates at a General Shareholders' Meeting of the Company, and the Plan is abolished by the Board of Directors comprised of members including the said director(s). Therefore, the response policy is not a dead-hand type response policy (a response policy whose exercise cannot be prevented even after replacing a majority of the members of the Board of Directors). The



term of office of directors of the Company is two years and the Company does not use a staggered terms system for the said term. Consequently, the response policy is also not a slow-hand type response policy (a response policy that requires time to prevent exercise of the Plan because the members of the Board of Directors cannot be replaced at once).

Outline of the Plan Flow at the start of a Large-scale Purchase



Note: The diagram provides the flow of typical procedures to help understand the Plan, and not necessarily all of the procedures are presented. Refer to the main text for details.

### **Outline of the Independent Committee Regulations**

1. The Independent Committee shall be established by resolution of the Board of Directors.
2. The Independent Committee shall consist of at least three members who are elected by the Board of Directors from among outside directors, outside Audit & Supervisory Board members who are independent from the management team responsible for business execution of the Company, or outside experts (corporate managers with extensive experience with management, former bureaucrats, persons well versed in investment banking operations, attorneys at law, certified public accountants, academic experts whose key research areas include the Companies Act, and other equivalent persons).
3. The term of office of Independent Committee members shall be up to the expiry of the Plan. However, the term of office of outside directors and outside Audit & Supervisory Board members who are members of the committee shall be the same as the term of office of outside officers if the term of office as outside officer arrives before the expiry of the Plan.

If a resolution to abolish the Plan is reached at the Company's Board of Directors meeting or General Shareholders' Meeting, the term of members shall expire concurrently with the abolishment of the Plan.
4. The Independent Committee shall give advice, in principle, on the details of its decision regarding the matters consulted from the Board of Directors along with the reason and basis underlying the decision to the Board of Directors. Each member is required to make such decision from the perspective of whether it contributes to the corporate value of the Company as well as the common interests of its shareholders.
5. The Independent Committee may, at the cost of the Company, obtain advice of outside experts who are independent third parties (including financial advisors, certified public accountants, attorneys at law, consultants, and other experts) and others as necessary.
6. Independent Committee resolutions shall pass with a majority vote at meetings where the majority of members are in attendance.

(Attachment 3)

### Career Summary of the Candidates for Independent Committee Members

Name	Career summary	
Minesaburo Miyake (July 22, 1952)  Outside Director Independent Officer	Apr. 1976	Joined Kewpie Corporation
	Feb. 2003	Director of Kewpie Corporation
	Feb. 2010	Executive Managing Director of Kewpie Corporation
	Feb. 2011	President and Representative Director of Kewpie Corporation Director of Nakashimoto Co., Ltd.
	Feb. 2017	Chairman and Director of Nakashimoto Co., Ltd.
	Jun. 2018	Outside Director of the Company (current position)
Takayuki Kanai (April 16, 1959)  Outside Director Independent Officer	Apr. 1982	Joined The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.)
	Oct. 2008	Executive Officer of Aozora Bank, Ltd.
	Oct. 2010	Joined Nishimoto Trading Co., Ltd. Senior Managing Director
	Mar. 2012	President and Representative Director of Nishimoto Trading Co., Ltd.
	Mar. 2016	Director, General Manager of Group Business Management Division of Nishimoto Wismettac Holdings Co., Ltd.
	Mar. 2017	Representative Director, President & COO of Nishimoto Wismettac Holdings Co., Ltd.
	Jun. 2020	Outside Director of the Company (current position)
Toshimasa Iue (December 3, 1962)  Outside Director Independent Officer	Apr. 1989	Joined SANYO Electric Co., Ltd.
	Jun. 2002	Representative Director, Vice President of SANYO Electric Co., Ltd.
	Jun. 2005	Representative Director, President of SANYO Electric Co., Ltd.
	Apr. 2011	Director, Vice President and Operating Officer of LIXIL Corporation
	Jun. 2016	Director of LIXIL Group Corporation
	Apr. 2019	Member of Advisory Panel to Consider Management of the Company
	Jun. 2020	Outside Director of the Company (current position)
Kazuyoshi Aoki (December 24, 1955)  Outside Audit & Supervisory Board member Independent Officer	Apr. 1979	Joined Kao Soap Co., Ltd. (currently Kao Corporation)
	Mar. 2003	Controller of International Household Division of Kao Corporation
	Mar. 2005	Vice Chairman of the Board and Vice President of Kao (China) Holding Co., Ltd.
	May 2007	Senior Manager, Accounting and Finance Division of Kao Corporation
	Jun. 2012	Executive Officer in charge of Accounting and Finance of Kao Corporation
	Jun. 2022	Outside Audit & Supervisory Board member of the Company (current position)
Akihiro Ito (December 19, 1960)  Outside Audit & Supervisory Board member Independent Officer	Apr. 1983	Joined Kirin Brewery Co., Ltd. (currently Kirin Holdings Company, Limited)
	Jan. 2013	Executive Officer, Director of Group Finance of Kirin Holdings Company, Limited
	Mar. 2014	Director of the Board, CFO of Kirin Holdings Company, Limited
	Mar. 2015	Director of the Board, Senior Executive Officer of Kirin Holdings Company, Limited
	Apr. 2016	Director of Brasil Kirin Participações e Representações S.A.
	Mar. 2018	Standing Audit & Supervisory Board Member of Kirin Holdings Company, Limited
	Jun. 2022	Outside Audit & Supervisory Board member of the Company (current position)

## **Outline of the Gratis Allotment of Stock Acquisition Rights**

### **1. Shareholders eligible for gratis allotment of stock acquisition rights and the allotment method**

The Company shall allot one stock acquisition right for one share of common stock held by shareholders who are recorded in the latest shareholder register on a certain date (“Allotment Date”) stipulated by the Company’s Board of Directors (this does not apply to the shares of common stock held by the Company), and the stock acquisition rights shall be allotted gratis.

### **2. Class and number of shares for stock acquisition rights**

The class of shares for stock acquisition rights shall be the common stock of the Company, and the number of shares for each stock acquisition right shall be one. In addition, necessary adjustments shall be made in the case of a stock split or reverse split.

### **3. Total number of stock acquisition rights to be allotted to shareholders**

The total number shall not exceed the total number of authorized shares on the Allotment Date stipulated by the Company’s Board of Directors minus the total number of issued shares of common stock of the Company (excluding common shares held by the Company). The Company’s Board of Directors may allot stock acquisition rights multiple times.

### **4. Assets to be contributed upon exercise of stock acquisition rights and the value thereof**

The assets to be contributed when exercising one stock acquisition right shall be cash, and the value shall be ¥1 or more as stipulated by the Board of Directors. If the Company’s Board of Directors decides to acquire stock acquisition rights, the Company may issue new shares to shareholders as the consideration for the acquisition without paying the amount equivalent to the exercise price.

### **5. Restrictions on transfer of stock acquisition rights**

The approval of the Company’s Board of Directors is required to transfer stock acquisition rights.

### **6. Conditions for exercising stock acquisition rights**

Conditions for exercising stock acquisition rights include not belonging to a specified shareholder group that holds 20% or more of voting rights (this does not apply to parties approved by the Board of Directors in advance). Details of conditions for exercising stock acquisition rights are stipulated separately by the Company’s Board of Directors. In addition, it is not envisioned that cash will be paid to acquire the stock acquisition rights held by parties not permitted to exercise the rights.

### **7. Stock acquisition rights exercise period, etc.**

The date the allotment of stock acquisition rights becomes effective, exercise period, special provisions for acquisition, and other necessary items shall be stipulated separately by the Company’s Board of Directors. Special provisions for acquisition may be set to make it possible for the Company to acquire stock acquisition rights held by parties other than those not permitted to exercise stock acquisition rights because of conditions for exercising rights in 6. above and to issue the Company’s common stock, the number of shares of which is stipulated by the Company’s Board of Directors, for each stock acquisition right, and for the Company to not issue the Company’s shares for stock acquisition rights and acquire the stock acquisition rights without contribution.