



July 14, 2025

Company name:	TAKARA & COMPANY LTD.
Representative:	AKUTSU Seiichiro
	President and Representative Director
	(Securities Code: 7921; TSE Prime
	Market)
Contact:	NAKAGOME Katsuji
	Managing Executive Officer,
	in charge of General Affairs Dep.
	(Phone: +81-3-3971-3260)

Continuation of a Policy on the Large-Scale Purchase of the Company's Shares (Policy in Response to Takeover Bids)

TAKARA & COMPANY LTD. (the "Company"), having received approval by shareholders at the Company's 70th Annual General Meeting of Shareholders held on August 23, 2007, introduced a policy to respond to large-scale purchases of the Company's shares (Policy in Response to Takeover Bids). Subsequently, the Company continued the policy based on resolutions at the Annual General Meeting of Shareholders (most recently, at the Company's 85th Annual General Meeting of Shareholders held on August 26, 2022; the current policy in response to takeover bids, hereinafter the "Current Plan."). The effective term of the Current Plan is set to expire at the conclusion of the Company's 88th Annual General Meeting of Shareholders scheduled to be held on August 22, 2025 (hereinafter "this AGMS").

Based on the "Basic Policy on Corporate Governance" formulated on July 21, 2015,

The businesses in which the Group engages are of high public interest or are public in nature, and specialize in supporting the preparation, translation, etc. of highly confidential or secret statutory and voluntary disclosure and investor relations-related materials.

The software developed and operated by the Group, WizLabo, an integrated business reporting system, serves as an important platform for the efficient and accurate preparation of legal disclosure documents under the Financial Instruments and Exchange Act and the Companies Act. WizLabo has been introduced at more than half of the listed companies in Japan, and this platform is used to aggregate the undisclosed data (accounting and financial results data) of listed companies and others in Japan. Moreover, there are only two major companies in Japan, one of which is the Company, that possess a system capable of providing similar services, thus functioning as extremely important information infrastructure for the maintenance and stability of the national economy and financial markets.

For this reason, the Company also views its business as "information processing services," which is considered equivalent to a so-called "company engaged solely in businesses other than its core industry" under the Foreign Exchange and Foreign Trade Act.

Based on these assumptions, in order to secure the common interests of shareholders based on respect for the will of shareholders, we have continued to examine the details of the Current Plan in accordance with changes in the environment, including whether or not to continue the Current Plan.

As a result, we hereby announce that the Board of Directors, including four Outside Directors, resolved at its meeting held today that the Current Plan should be continued (the newly continued plan, hereinafter "the Plan"), subject to approval by the shareholders at this AGMS.

In continuing the Plan, the Company has revised the Plan based on the premise of respecting the will of shareholders, and the main changes are as follows.

- (i) Revisions have been made to the definition of the purchase of Company's shares which are subject to the Plan
- (ii) The suspension of invocation of countermeasures, etc. has been clearly stated.
- (iii) Other words and phrases have been corrected and reworded.

Regarding the continuation and revisions to the Plan, the three Corporate Auditors, including two Outside Corporate Auditors, have all stated that they consent to the Plan on the condition that it is appropriately implemented.

As of today, no specific proposal for a large-scale purchase of the Company's shares has been made. In addition, the status of the Company's shares and major shareholders as of May 31, 2025 are as shown in Appendix 3.

I. Basic Policy on Who Is Suitable to Be Entrusted with Control of Decision-Making over the Financial and Business Policies of the Company

The Company is convinced that the enhancement of corporate value and the common interests of shareholders can only be achieved by ensuring profit returnable to shareholders, continuously over the medium to long term, and sufficiently fulfilling its role and mission in society while maintaining management independence. The Company believes it is of crucial importance to maintain and develop sound and appropriate relations with stakeholders, including a focus on clients, business partners and employees, and of course shareholders. These, we believe, are the kinds of management principles that are fundamental to maintaining the Group's edge in its core business of disclosure and IR services, in addition to interpreting and translating.

When a bid is made to purchase the Company's shares, therefore, it will be necessary for the Company to seriously consider the impact of the bid on the Company's corporate value and the common interests of shareholders, and to make an appropriate judgment. This includes not only the feasibility and legality of the business plan proposed by the purchaser, but also the tangible and intangible management resources possessed by the Group, particularly focusing on the impact of the purchaser's proposal on the trust of the Group's clients, as well as the individual impact on each stakeholder, and how these will affect the corporate value of the Company; the benefits that would accrue should the purchase be made; the actual state of the Group's finances and operations, and other factors contributing to the Company's corporate value.

Based on this understanding and examination, and also to realize negotiations aimed at the most favorable transaction terms possible for shareholders, if it is considered that a large-scale purchase of the Company's shares may harm its corporate value, symbolized by the Group's know-how and WizLabo in its core business of disclosure and IR services, and thereby undermine the common interests of shareholders, the Company will regard that the party making that purchase is not suitable to be entrusted with control over decision-making on the financial and business policies of the Company.

To be specific, a large-scale share purchase will be deemed incompatible with the Company's corporate value and the common interests of its shareholders in such cases as these: (i) if the purchase poses a clear threat of damaging the Company's corporate value and the common interests of shareholders; (ii) if it could effectively compel shareholders to sell their shares, as in a coercive two-tier takeover (in the case of a tender offer, offering to buy up all the Company's shares at the time of the initial purchase and setting unfavorable conditions of purchase for the second stage, which may effectively coerce shareholders to sell the Company's shares); (iii) if it is implemented without allowing the Company reasonable time to propose an alternative; (iv) if it is implemented without providing shareholders with the information reasonably deemed necessary to judge the specifics of the purchase; or (v) if the conditions of the purchase (e.g., the amount to be paid or form of payment, the timing of the purchase, or the legality of the method of purchase) are inadequate or inappropriate in light of the Company's actual corporate value, they will be considered unwilling to contribute to the Company's corporate value and the common interests of its shareholders.

On the other hand, if the content of the proposal is deemed to be sincere and conducive to the Company's corporate value and the common interests of its shareholders, the Company will view the proposal as something that should be seriously considered and that negotiations should be conducted with the aim of achieving the most favorable transaction terms possible for shareholders.

II. Steps Designed to Contribute to Realization of the Basic Policy

1. The source of the Company's corporate value

In the disclosure-related business, the Group, led by its subsidiary Takara Printing Co., Ltd., provides support for the preparation of disclosure and investor relations documents under the Financial Instruments and Exchange Act, the Companies Act, etc., on commission from listed companies and other clients. It also has developed an integrated business reporting system, "WizLabo," to assist in the preparation of such documents, and to provide a platform for the preparation of financial results and other information, including client's insider information, playing an important role in the development of fair capital markets. Should the Company encounter a situation that hinders the smooth execution of this business, operations with client data may be hindered, and its clients' disclosure and IR activities may be impeded, which could lead to a material effect on the maintenance of fair capital markets. Accordingly, we believe that the Group has a crucial responsibility in society regarding its business execution.

Moreover, in its interpreting and translating business, the Group is not limited to the translation of disclosure-related documents as it also handles clients' (including government organizations) important confidential

information. It is therefore essential for the Group's businesses to maintain a highly secure environment and advanced expertise in order to protect and secure the secret or sensitive information (including insider information) entrusted to it by clients.

Since their foundation, the Company and its Group companies have accumulated and developed information and various tools related to disclosure and IR, as well as know-how possessed by each individual employee, networks with cooperative business partners, and the platform provided by WizLabo, all of which constitute valuable and important assets that can be offered to clients. We believe that the wellspring of our corporate value is to earn the trust of our customers and, at the same time, to create an environment in which we can act in accordance with their needs, and to conduct management that enhances the strength of our organization.

2. Initiatives to raise corporate value

Since the Company was founded, it has engaged as a comprehensive group that specializes in supporting clients' preparation of corporate disclosure and IR-related documents that are highly confidential or sensitive, as well as interpreting and translating, etc. The Company has secured a management framework emphasizing information management and quality control systems, including WizLabo, not to mention expert knowledge.

The Group has been working to enhance its risk management system in order to develop and improve the internal control system, as well as to further enhance its corporate governance based on the "Basic Policy on Corporate Governance." At the same time, the Company has formulated and launched "Medium-Term Management Plan FY2026" and is working to achieve the plan's targets.

Having established its "Vision for the Year 2030," the Group formulated its Medium-Term Management Plan spanning the three-year period from the fiscal year ended May 31, 2024 to the fiscal year ending May 31, 2026, this being a growth strategy to realize this vision. Setting its sights on its "vision," the Group has pushed forward on executing and bringing to reality its action plans for each of five specific material issues, and by carrying out our mission we will sustainably raise the corporate value of the Company and its clients. In addition, it is our "human resources" that form an important foundation for the Group. We will work toward the sustained growth of human capital, and the development of relationships of trust.

Medium-Term Management Plan FY2026 is the concrete strategy for such growth, and this is grounded in the Basic Policies: Promote Sustainability Management; Facilitate the Expansion of Globalization; Expand New Business Areas; Formulate Group Strategies and Strengthen Group Collaboration; and Improve the Corporate Value of Each Group Company. Based on these five Basic Policies, we will advance on key measures for each business segment. In particular, we will make concerted efforts, including to strengthen web services and consulting services for each business, to nurture highly skilled human resources, and for global capabilities. Along with these, through utilization of M&A conscious of capital costs, and other initiatives, we will work to maximize shareholder value.

The Group will work as one to accomplish the goals of the Medium-Term Management Plan, aiming to achieve net sales of ¥33.0 billion, operating income of ¥4.4 billion, and ROE of 10% in the fiscal year ending May 31, 2026, the final year of the plan.

	2024/5	2025/5	2026/5
	Results	Results	Plan (Target)
Net sales	¥29.2 billion	¥29.6 billion	¥33.0 billion
Operating income	¥4.2 billion	¥4.0 billion	¥4.4 billion
Operating income to net sales	14.5%	13.6%	13.3%
Profit attributable to owners of parent	¥3.0 billion	¥4.0 billion	¥3.1 billion
ROE	11.5%	14.1%	10.0%

*Please see the following website of the Company for details on "Medium-Term Management Plan FY2026":
<https://www.takara-company.co.jp/english/ir/policy/management-plan.html>

Regarding the return of profits to shareholders over the long term, we consider this matter as one of the important management issues, and based on our policy on maintaining stable dividends, having taken into consideration the reinforcement of our corporate structure and future business developments, we pay dividends commensurate with financial performance. Since we believe we have sufficient internal reserves for smooth business operations, we intend to return profits to shareholders in the form of dividends, as much as possible.

3. Initiatives to strengthen corporate governance

Under the Corporate Philosophy of "fulfill our role as a public entity of society," we aim to "continue to be a global company indispensable to society by improving the expertise of each group company and contributing to the expansion of corporate value for our customers." We also stay true to our Credo (Value, Integrity, Professionalism,

Diversity, Judgment) and strive to grow the entire Group in a sustainable manner and to enhance its value to society and medium- to long-term corporate value for shareholders and other stakeholders. In order to achieve this, we have been working to improve our internal control system and further enhance our corporate governance through efforts such as establishing and enforcing the Ethics and Compliance Regulations, ensuring that our officers and employees strictly comply with laws, regulations and the Articles of Incorporation together with strengthening our risk management system.

*Please see the following website of the Company for details on the Company's latest corporate governance initiatives and its basic policies on corporate governance:
<https://www.takara-company.co.jp/english/ir/policy/cg.html>

III. Specifics of the Plan

Our policy on the large-scale purchase of company shares ("the Plan") is designed to keep control of decision making over the Company's financial and business policies out of the hands of purchasers who, in light of this policy, pose a clear threat of damaging the Company's corporate value and the common interests of its shareholders.

The Plan shall be subject to resolution by the General Meeting of Shareholders, and shall not be intended to serve Directors' own interests but to serve the common interests of shareholders.

1. Purpose of Adoption of the Plan

The Company does not consider all large-scale share purchases unacceptable. Nonetheless, as is clear from past instances in Japan, some large-scale share purchases can damage corporate value and harm the common interests of shareholders.

In the case of a purchase of the Company's shares or a similar act, or a proposal to purchase company shares (hereinafter the general term "purchase"), the Plan clearly sets out procedures to be followed by the party making the purchase or proposal (hereinafter the general term "purchaser"). It is thereby designed to ensure that shareholders are given sufficient necessary information and time to reach an appropriate decision. It is also designed to secure the opportunity to negotiate with the purchaser. By means of the Plan, the Company hopes to keep control of decision-making over the Company's financial and business policies out of the hands of purchasers who, in light of this policy, pose a clear threat of damaging the Company's corporate value and the common interests of its shareholders, and thus to prevent its corporate value from being damaged and the interests of its shareholders from being undermined contrary to their intentions.

2. Purchases Subject to the Plan

If a purchaser implements a purchase of said shares of the Company, or similar act that matches any of the descriptions below (however, excluding those instances for which the Board of Directors of the Company has granted its approval; such acts hereinafter "a subject purchase"), the Company will consider whether or not to issue stock acquisition rights without charge or take such other countermeasures as are permitted under the law and the Company's Articles of Incorporation (sometimes referred to hereinafter simply as "countermeasures").

- (i) A purchase that, with respect to shares and other securities¹ issued by the Company, would result in the ratio of shares and other securities held² by a particular holder³ exceeding 20%
- (ii) A tender offer that, with respect to shares and other securities⁴ issued by the Company, would result in the total of the ratio of held shares and other securities⁵ covered by the tender offer⁶ and of the ratio of shares and other securities held by special stakeholders⁷ exceeding 20%
- (iii) Regardless of whether or not each of the acts stipulated in (i) or (ii) above is carried out, an act between a particular holder of shares and other securities of the Company and another holder of shares and other securities of the Company (including multiple holders; the same applies in (iii) as follows), and any agreement or other act that would cause said other holder to become a joint holder⁸ of said particular holder as a result of such act, or acts⁹ which are reasonably deemed as any act that establishes a relationship¹⁰ between said particular holder and said other holder whereby one substantially controls the other or whereby they act jointly or in concert (however, this is limited to cases where the sum of the shareholding ratios of said particular holder and said other holder with respect to shares and other securities issued by the Company is 20% or more.).

¹⁻⁷ Each of these terms is to be understood as defined in the Financial Instruments and Exchange Act (Act No. 25 of April 13, 1948).

⁸ Joint holders as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including those deemed to be joint holders pursuant to Paragraph 6 of the same article (including those deemed to fall under this category by the Board of Directors of the Company). The same applies hereinafter unless otherwise specified.

⁹ The Company's Board of Directors shall make a reasonable judgment as to whether or not the acts prescribed in (iii) are relevant (in making such determination, the recommendations of the Special Panel shall be respected to the

maximum extent possible). The Board of Directors of the Company may request the holder to provide necessary information to the extent needed to determine whether or not the requirements of (iii) are met.

¹⁰ The determination of whether or not “said particular holder as a result of such act, or any act that establishes a relationship between said particular holder and said other holder whereby one substantially controls the other or whereby they act jointly or in concert” is established, shall be made on the basis of direct or indirect facts, etc. that suggest that there is a communication of intent between the said particular holder and said other holder, and include relationships covering new investments, business alliances, transactions or contracts, concurrent positions as Director, funding provision, granting of credit, the purchase status of the Company’s shares and other securities, status of exercise of voting rights regarding the Company’s shares and other securities, formation of substantial interests, etc. in the Company’s shares through derivatives or stock lending, etc., and other direct or indirect influence of said particular holder and said other holder on the Company.

3. Procedures for Invocation or Non-invocation of Countermeasures

3.1. Establishment of a Special Panel

If a subject purchase has been or may be implemented, the Company’s Board of Directors will promptly establish a Special Panel independent of the Board.

The Special Panel will, independently of the Board of Directors, deliberate and make recommendations to the Board of Directors with regard to invoking or not invoking the Plan.

In the interests of protecting the corporate value of the Company and the common interests of its shareholders, the Special Panel will consult and negotiate with the purchaser as necessary, either directly or indirectly, in accordance with “3.2. Request to the Purchaser for Information” below. If the Special Panel asks the purchaser to furnish documentation for study or other information, or to enter consultations or negotiations, the purchaser must promptly accede.

An overview of the Special Panel is provided in “IV. The Special Panel.”

3.2. Request to the Purchaser for Information

Except where the Company’s Board of Directors deems it unnecessary, a purchaser engaging in a subject purchase will, before going ahead with the purchase, submit to the Board of Directors a written statement (hereinafter “purchase description”) containing the following information, along with a pledge to comply with the procedures set out in the Plan when implementing the purchase:

- (i) details about the purchaser and the purchaser’s group (including joint shareholders, special stakeholders, association members, and, in the case of a fund, any other constituent members), including a specific name, address, the law under which established, name of the representative, contact information in Japan, capital structure, and financial structure;
- (ii) the purpose, method, and specifics of the purchase, including the purchase price and form of payment, purchase timing, relevant transaction methods, the legality of the proposed purchase method, and feasibility of the purchase;
- (iii) the basis on which the purchase price is calculated, including the facts on which the calculation is predicated, the method of calculation, and the numerical information used to make the calculation; as well as the premium value expected to arise from the series of transactions involved in the Purchase and the basis on which that value is calculated, and specifically the premium value to be distributed to minority shareholders and the basis on which that value is calculated;
- (iv) evidence of funding to make the purchase, including the specific names of the providers (including the real providers) of the purchase funding, how it is to be raised, and details of relevant transactions;
- (v) management policies, business plans, capital policies, and dividend policies for the Group to be implemented after the purchase;
- (vi) policies pertaining to the treatment of the Group’s clients, business partners, employees, community stakeholders, and so forth to be implemented after the purchase;
- (vii) any legislative or other regulations that may apply to the purchase proposal, as well as the possibility that legislative or other approval or licensing can be obtained;
- (viii) the possibility that the licensing required for the Group to operate can be maintained after the purchase, and that legislative and other regulations can be duly observed; and
- (ix) such other information as the Special Panel deems reasonably necessary.

Upon the Company’s receipt of the purchase description, the Board of Directors will promptly submit it to the Special Panel.

If the Special Panel reasonably determines that the information contained in the purchase description falls short of what is required, it may make a separate request to have the large-scale purchaser provide additional information (however, the Special Panel shall not request to the shareholders any additional information beyond the level necessary for them to properly determine the appropriateness of the acquisition and for the Special Panel to evaluate

and consider the acquisition, such as the attributes of the large-scale purchaser, the details and nature of the large-scale purchase and undisclosed information proposed by the large-scale purchaser, and other factors). The request for such additional information is to be made with setting a reasonable deadline to reply (up to 60 days) as appropriate, and shall be made within 10 days of receipt of the purchase description or following receipt of such additional information.

To enable proper disclosure of information to our shareholders, the purchase description and any additional information submitted must, whatever language they are in, be accompanied by a Japanese translation. For the same reason, the Japanese text will be treated as the official version.

3.3. Request by the Special Panel for Opinions and Information from the Company's Board of Directors

Once the purchaser has submitted the purchase description and any other additional information requested, the Special Panel will ask the Company's Board of Directors to submit its opinions on the specifics of the purchase by the purchaser, setting a reasonable deadline within ten business days of receipt of that description. Along with its opinions, the Board will also be asked to submit documentation to back them up, an alternative plan, and such other information as the Special Panel may deem necessary.

3.4. Course of the Special Panel's Deliberations

Upon receipt of the purchase description and the other information requested from the purchaser, and of the opinions, documentation, and other information requested from the Company's Board of Directors, the Special Panel will have a maximum period of, as a rule, sixty days to deliberate ("period for deliberation by the Special Panel"). (The Special Panel can however extend this period under 3.6.(iii).) During that time, the Special Panel will gather information on the respective business plans, etc. of the purchaser and the Company's Board of Directors, examine the details of the purchase by the purchaser and of the alternative plan proposed by the Company's Board, and compare the two. It will analyze the details of the purchase from the standpoint of protecting the Company's corporate value and the common interests of its shareholders.

To ensure that its judgments indeed contribute to the Company's corporate value and the common interests of its shareholders, the Special Panel can, at the Company's expense, seek the advice of independent third parties including certified public accountants, lawyers, consultants, financial advisers, and other experts.

3.5. Disclosure of Information to Shareholders

The Company will promptly disclose to shareholders the emergence of a purchaser, a summary and facts of receipt of the description from the purchaser, the opinion of the Company's Board of Directors on the details of the purchase by the purchaser, a summary and facts of the alternative plan presented by the Board, facts of the beginning and the end of the period for deliberation by the Special Panel and such other information as the Special Panel or the Board of Directors of the Company consider appropriate. However, information deemed by the Panel as unsuitable for disclosure, such as business secrets, will be exempt from disclosure.

3.6. How the Special Panel Reaches Its Decision

If a purchaser emerges, the Special Panel will implement the procedures described below.

The details of the recommendation made by the Special Panel in line with these procedures will, along with other relevant information, be promptly disclosed by the Company upon adoption of the relevant resolution. (If the period for deliberation by the Special Panel is extended as per (iii) below, the information disclosed will include the length of and reason for the extension).

(i) If the Special Panel recommends invocation of Countermeasures

If the Special Panel determines that the purchase by the purchaser meets one of the conditions stipulated in "4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures" below, and concludes that it is, therefore, appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel will recommend to the Company's Board of Directors that such measures be implemented.

(ii) If the Special Panel recommends non-invocation of Countermeasures

If, as the result of examining the details of the purchase by the purchaser and negotiating with the purchaser, the Special Panel concludes that the purchase meets none of the conditions stipulated in "4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures" below or concludes that, although the purchase meets one of those conditions, it would not be appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel will recommend to the Company's Board of Directors that no such measures be implemented.¹¹

¹¹ However, if a change occurs in the facts upon which this recommendation is predicated, leading the Special Panel to conclude that the purchase now meets one of the conditions stipulated in "4. Conditions for Issuing Stock Acquisition

Rights without Charge or Implementing Other Countermeasures" below, and that it is, therefore, appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel can reach a different decision, which may include recommending to the Company's Board of Directors that stock acquisition rights be issued without charge or other countermeasures taken.

(iii) If the period for deliberation by the Special Panel is extended

If, by the end of the original period for deliberation by the Special Panel, the Panel has not yet formulated a recommendation on whether or not to issue stock acquisition rights without charge or implement other countermeasures, the Panel can decide to extend the period of deliberation for as long as considered reasonably necessary (provided, however, no more than thirty days) in order to examine the details of the purchase by the purchaser, negotiate with the purchaser, and so forth.

3.7. Resolution of the Board of Directors

The Board of Directors of the Company shall respect the recommendation of the Special Panel under "3.6. How the Special Panel Reaches Its Decision" above in resolving whether or not to issue stock acquisition rights without charge or implement other countermeasures.

Upon adoption of the resolution, the Board of Directors will promptly disclose its content and other relevant information. The purchaser cannot implement the purchase of company shares until the Company adopts this resolution.

3.8. Holding of General Meeting of Shareholders for Confirming Shareholder Intentions

If the Special Panel has recommended the Board of Directors of the Company to hold a General Meeting of Shareholders for Confirming Shareholder Intentions to confirm the intention of shareholders with respect to whether to issue stock acquisition rights without charge or implement other countermeasures, or the Board of Directors of the Company has decided in accordance with its duty of care that it is appropriate to confirm the intention of shareholders regarding matters such as whether it satisfies the "4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures" below, the Board of Directors of the Company may hold a General Meeting of Shareholders for Confirming Shareholder Intentions to consult with the shareholders. However, in cases where a large-scale purchase is deemed to constitute a coercive market purchase, where it is deemed that there is a clear risk of damage to shareholder value from a long-term perspective, or where the purchase method is deemed to prevent free decision-making of shareholders, and where a recommendation has been made by the Special Panel, the Board of Directors of the Company may handle the results of the exercise of voting rights by shareholders other than large-scale purchaser and its group (including joint holders, special stakeholders, and other members (in the case of a fund)) as shareholder intentions.

3.9 Suspension of Countermeasures, etc.

After a decision to invoke a specific countermeasure is made by the Company's Board of Directors or the General Meeting of Shareholders for Confirming Shareholder Intentions in accordance with the above procedures, if the Board of Directors of the Company determines it is inappropriate to invoke the countermeasures, such as in cases where the said large-scale share purchaser withdraws or changes the large-scale share purchase, the Company may suspend the invocation of the countermeasure, giving a maximum degree of respect to the opinions and recommendations of the Special Panel.

For example, in cases of issuing stock acquisition rights without charge as a countermeasure, even if a resolution is made at the Company's Board of Directors, or after an issuance without charge, if the Board of Directors of the Company determines it is inappropriate to invoke countermeasures, such as in cases where the said large-scale share purchaser withdraws or changes the large-scale share purchase, upon having received a recommendation from the Special Panel, the Company may cancel the issue of stock acquisition rights without charge until the day before the effective date of the stock acquisition rights or, after the issue of stock acquisition rights without charge, may suspend the invocation of countermeasures, etc. by way of issuing stock acquisition rights without charge by the Company until the day before the first day of the exercise period.

If a suspension, etc., of invoking such a countermeasure occurs, prompt disclosure shall be made along with any matters deemed necessary by the Special Panel.

4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures

If the purchaser fails to abide by the procedures stipulated in the Plan, or if, although the purchaser abides by those procedures, the purchase corresponds to one of the descriptions below, and it is therefore deemed appropriate to issue stock acquisition rights without charge or take other countermeasures, the Special Panel will recommend the Company's Board of Directors implement such measures in accordance with the procedures stipulated in 3.

above, “Procedures for Invocation or Non-invocation of Countermeasures.” The Board of Directors will then decide, based on the Special Panel’s recommendation, whether or not to invoke countermeasures.

- (i) If the purchase poses a clear threat of damaging the Company’s corporate value and the common interests of its shareholders in that it involves one of these or similar behaviors:
 - a. though there exists no true intention of participating in the management of the Company, buying up shares for the purpose of making the Company buy back the shares at a premium, which is deemed a so-called “greenmailer” scenario;
 - b. gaining temporary control of the Company and then transferring its important assets such as clients’ confidential information including insider information, disclosure and IR-related information, know how, network with our business partners, disclosure document preparation system, or factory facilities to the purchaser or its group companies. These types of conduct are deemed to be for the iniquitous purpose or for the benefits of the purchaser to the detriment of the public interest of the Company’s business;
 - c. intention to misappropriate Company assets to use as security for the purchaser’s own debt or that of one of its group companies, or to pay down such debt, all of which are deemed a leveraged buyout for realizing profits with no public interest; or
 - d. gaining temporary control of the Company and having it dispose of its real estate, securities and other assets, etc. that are not immediately related to its business, which is deemed to be for the purpose of causing the Company to pay temporarily inflated dividends out of the profits gained from such disposition; or taking advantage of the sudden jump in share price triggered by that temporary surge in dividends to sell off the shares at a premium.
- (ii) If the purchase could effectively compel shareholders to sell their shares, as in a coercive two-tier takeover.
- (iii) If the purchase is implemented without the Company being given the time reasonably necessary to present an alternative plan.
- (iv) If the purchase is implemented without shareholders being adequately provided with the information requested and such other information as is deemed reasonably necessary in order to assess the details of the purchase.
- (v) If the conditions of the purchase (e.g., amount to be paid or form of payment; timing of the purchase; legality of the method of purchase; feasibility of the purchase; management policies or business plans to be implemented after the purchase; the impact of the purchase on the Company’s relationship with its clients; or policies pertaining to the treatment of the Company’s clients, business partners, employees, community stakeholders, and so forth to be implemented after the purchase) are inadequate or inappropriate in light of the Company’s actual corporate value.

5. Countermeasures Other Than the Issue of Stock Acquisition Rights without Charge

Besides the issue of stock acquisition rights without charge, the Company’s Board of Directors may in certain cases choose to take one of the other countermeasures permitted under the law and the Company’s Articles of Incorporation. In that case, it will select the form of action deemed appropriate at the time, such as the issue of shares for subscription, after referring the matter to the Special Panel.

IV. The Special Panel

If a subject purchase has been or may be implemented, the Company’s Board of Directors will promptly establish a Special Panel.

To guarantee the Special Panel’s impartiality, objectivity, and reasonableness, the Board of Directors will appoint to the Panel individuals who have a high degree of independence from both the Company’s Board of Directors and the purchaser, namely, outside directors, outside corporate auditors, or outside eminent persons such as lawyers or university professors. The appointed members will elect a chairperson from their number. The Panel will consist of three or more members. For an overview of the Special Panel to be established under the Plan, see Appendix 1, “The Special Panel Rules.” For the names of the candidates for Panel individuals and brief summaries of their careers, see Appendix 2, “Candidates for the Special Panel.”

V. Overview of the Applicable Stock Acquisition Rights

If under the Plan it is decided to issue stock acquisition rights without charge (hereinafter the “applicable stock acquisition rights”), the Company will notify all shareholders recorded in the latest register of shareholders or register of beneficial shareholders as of a specific date, to be set by the Company’s Board of Directors, that stock acquisition rights will be issued to them, without charge, at the rate separately determined by the Board of Directors per share held. Two conditions will be imposed on these stock acquisition rights: (i) the exercise provision that certain parties including the purchaser will not be allowed to exercise those rights; and (ii) the acquisition provision that the Company will acquire one stock acquisition right in exchange for one Company share from any shareholder other than the purchaser and related parties.

VI. Approval of the Plan by the General Meeting of Shareholders

The Plan will be rescinded if it fails to be approved by the shareholders at the Annual General Meeting of Shareholders.

VII. Effective Term, Repeal, and Revision of the Plan

The effective term of the Plan will be approximately three years from the conclusion of the Annual General Meeting of Shareholders, until the conclusion of the Annual General Meeting of Shareholders relating to the fiscal term ending on May 31, 2028.

The Company can repeal the Plan before its effective term expires by a resolution of the Board of Directors.

In the interests of maintaining and enhancing its corporate value and the common interests of its shareholders, the Company can also modify the Plan during its effective term by a resolution of the Board of Directors, as long as the modifications do not violate the spirit of the Plan as approved by the Annual General Meeting of Shareholders.

The Company can repeal or revise the Plan during the effective term of the Plan with the approval of a majority of the shareholders at a General Meeting of Shareholders. If the Plan is repealed or revised, the Company will promptly disclose the relevant details.

VIII. The Reasonableness of the Plan

In line with the Company's basic policy, the Plan fulfills related laws and regulations, court precedents, Regulations for Trading Supervision Systems at Trading Participants to Prevent Unfair Trading set out by Tokyo Stock Exchange, Inc., and three principles set out in the related laws and regulations the Guidelines on Anti-takeover Measures Designed to Guarantee or Enhance Corporate Value and the Common Interests of Shareholders (Ministry of Economy, Trade and Industry and Ministry of Justice, May 27, 2005): (i) the principle of guaranteeing and enhancing corporate value and the common interests of shareholders; (ii) the principle of prior disclosure and the will of the shareholders; and (iii) the principle of necessity and appropriateness, and the three principles set out in Guidelines for Corporate Takeovers announced by the Ministry of Economy, Trade and Industry on August 31, 2023, namely, (i) Principle of Corporate Value and Shareholders' Common Interests; (ii) Principle of Shareholders' Intent; and (iii) Principle of Transparency, as well as contents of guideline set forth in the "Takeover Defense Measures in Light of Recent Environmental Changes" (Corporate Value Study Group, June 30, 2008).

1. The Will of Shareholders Is Respected

The Plan will be rescinded if the essential thinking behind it fails to be approved by the shareholders at the Annual General Meeting of Shareholders.

The effective term of the Plan is restricted to approximately three years. In addition, the Company's Directors serve for a term of one year; hence shareholders have a chance for their voice to be heard once a year when the Directors come up for election.

2. Decisions Are Based on the Recommendation of Highly Independent Outsiders, and Information Is Duly Disclosed

Under the Plan, a Special Panel is established consisting of individuals who are in a position to oversee the Board of Directors, to wit, outside directors, outside corporate auditors, and outside eminent persons such as lawyers or university professors. The decision on whether or not to invoke the Plan is made by a resolution of the Board of Directors in accordance with the Panel's recommendation. The adoption of these procedures creates a mechanism that prevents arbitrary decisions by the Company's management and ensures that the Plan is administered fairly in such a way as to contribute to maintaining and enhancing the corporate value of the Company and the common interests of its shareholders.

To further increase the transparency of the Special Panel's decisions, a summary of the purchase description submitted by the purchaser, the opinions of the Company's Board of Directors on the specifics of the purchase by the purchaser, a summary of the Board's alternative plan, and such other information as the Special Panel deems appropriate are in principle promptly disclosed to shareholders.

3. Objective Conditions Are Established for Invoking the Plan

The Plan is designed not to become activated unless certain rational, objective conditions defined in advance are met. This mechanism serves to prevent arbitrary decisions by the Company's Board of Directors.

4. The Views of Third-party Experts Are Obtained

The Special Panel can, at the Company's expense, seek the advice of independent third parties including certified public accountants, lawyers, consultants, financial advisers, and other experts. This further strengthens the impartiality and objectivity of the Special Panel's decision.

5. The Plan Is Not a Dead-hand or Slow-hand Defense

The Plan can, before its effective term expires, be repealed by a resolution of the Company's Board of Directors. It is therefore not a so-called dead-hand defense.

The Company's Directors serve for one-year terms, and those terms are not staggered. The Plan is thus not a so-called slow-hand defense either.

IX. Impact on Shareholders

1. Impact on Shareholders at the Time of the Plan's Adoption

At the time of the Plan's initial adoption, there is no direct specific impact on the rights and interests of shareholders and investors, since no issuance of applicable stock acquisition rights without charge then takes place.

2. Impact on Shareholders When Applicable Stock Acquisition Rights Are Issued Without Charge

Applicable stock acquisition rights will be granted, without charge, at a rate separately determined, to all persons who are shareholders of the Company as of a specific date, which is set separately by the Company's Board of Directors in the resolution deciding that stock acquisition rights are to be issued. All shareholders will automatically receive their stock acquisition rights on the date when the issue of those rights takes effect; no application procedures are thus required.

In exchange for Company's shares, the Company will, by resolution of the Board of Directors, acquire applicable stock acquisition rights from any shareholder except the purchaser, which will be unable to exercise stock acquisition rights (hereinafter as "the rights-restricted purchaser"). Shareholders other than the rights-restricted purchaser will thus receive Company shares without exercising the applicable stock acquisition rights or paying money equivalent to the exercise price; the Company shares they hold will therefore not be diluted.

When applicable stock acquisition rights are to be issued without charge, a base date relating to the issue of those stock acquisition rights will be announced. Stock acquisition rights will then be granted, without charge, to shareholders as of that base date.

When the Board of Directors passes a resolution deciding to acquire applicable stock acquisition rights, the Company will acquire those rights as of a date separately determined by the Board of Directors in accordance with legally prescribed procedures. Shareholders will be issued Company stock in return. In such cases the Company may ask such shareholders to separately submit a written statement, in a format prescribed by the Company, asserting, among other matters, that they are not the rights-restricted purchaser.

Even after the base date for issue of the applicable stock acquisition rights, or after the issue of those rights takes effect, the Company may, by the day before the first day of the exercise period for the applicable rights, cancel the issuance of the applicable rights or acquire the applicable stock acquisition rights without charge and without issuing Company shares to those holding those rights under certain circumstances such as the purchaser withdrawing its large-scale purchase bid. In such cases the value per share will not be diluted; considerable damages may therefore be sustained by shareholders or investors who trade the stock in anticipation of a dilution in its per-share value.

In addition to the above, details of the method of allotment, exercise and acquisition by the Company will be disclosed or announced to shareholders upon adoption by the Board of Directors of a resolution to issue applicable stock acquisition rights without charge.

The Special Panel Rules

Article 1

This set of rules governs the operation and activities of the Special Panel to be established by the Board of Directors in order to consider the question of whether to invoke the policy on the large-scale purchase of shares and other securities of the Company (“the Policy”).

Article 2

The Special Panel shall be established by resolution of the Board of Directors.

Article 3

The Special Panel shall consist of three or more members. These members shall be appointed by the Board of Directors from among individuals independent of the management team that runs the Company’s operations, which individuals shall fall into one of the following categories:

- (i) outside directors of the Company;
- (ii) outside corporate auditors of the Company; or
- (iii) outside eminent persons other than the above.

The category “outside eminent persons” excludes individuals falling into Categories (i) or (ii). An outside eminent person must be one of the following; a chief company executive whose company does not have a vested interest in any executive of the Company Group and the Group itself; a former government official; a financial adviser; a lawyer; a certified public accountant; an academic; or the equivalent. An outside eminent person must also have executed an agreement with the Company, in a format to be separately prescribed by the Board of Directors, which includes a due-diligence clause.

Article 4

1. The term of office of Special Panel members shall expire at the end of the Annual General Meeting of Shareholders relating to the last business year to end within one year of their appointment, except if decided otherwise by resolution of the Board of Directors.
2. If a Special Panel member as defined above is an outside director or outside corporate auditor, but later ceases to be a director or corporate auditor, his or her term of office as a member of the Special Panel shall expire at the same time. Nonetheless, if the Special Panel member still fulfills the requirements for being deemed an outside eminent person, the Board of Directors may reappoint him or her as a Special Panel member after having followed the prescribed procedures.

Article 5

1. The Special Panel shall deliberate and decide on the following matters independently of the Board of Directors:
 - (i) whether or not the issue of applicable stock acquisition rights without charge should be implemented;
 - (ii) the cancellation of the issue, without charge, of applicable stock acquisition rights, or the acquisition, without charge, of those rights; and
 - (iii) such other matters as are to be decided by the Board of Directors and are referred by it to the Special Panel.

The Special Panel shall then make a recommendation to the Board of Directors containing the details of its decision, stating also the reasons for it. In reaching that decision, the members of the Special Panel shall consider whether or not the corporate value of the Company and the common interests of its shareholders are best served. Their objective must not be the pursuit of their own personal interests or those of Company management.

2. As the body enshrined in the Corporation Law, the Board of Directors shall pass a resolution deciding, for instance, to issue or not to issue applicable stock acquisition rights without charge, in so far as possible respecting the above recommendation by the Special Panel.
3. In addition to the matters enumerated in Clause 1, the Special Panel shall also be responsible for the following:
 - (i) determining whether the purchase in question merits invoking the Policy;
 - (ii) deciding what information the purchaser and the Board of Directors should provide to the Special Panel, and setting the deadline for doing so;
 - (iii) determining and extending the length of the period for deliberation by the Special Panel;
 - (iv) scrutinizing and analyzing the details of the purchase by the purchaser;
 - (v) negotiating and consulting with the purchaser and others, whether directly or through the Board of Directors;
 - (vi) asking the Board of Directors to submit an alternative plan, examining the alternative plan drawn up by the Board of Directors;

- (vii) approving revisions or changes to the Policy;
- (viii) performing such other functions as the Special Panel is authorized to carry out under the Policy; and
- (ix) performing such functions as the Special Panel is authorized to carry out by the Board of Directors.

Article 6

1. If the Special Panel determines that the information contained in the purchase description falls short of what is required under the Policy, it shall ask the purchaser to submit such additional information as is required under the Policy.
2. Once the purchaser has submitted the purchase description, as well as such additional information as is required under the Policy as per the preceding clause, the Special Panel can ask the Company's Board of Directors to submit, by a reasonable deadline, its opinions on the specifics of the purchase by the purchaser, along with documentation to back them up, an alternative plan, and such other information and data as the Special Panel may deem necessary.

Article 7

1. If it deems it necessary, the Special Panel shall, either directly or through the Board of Directors, consult and negotiate with the purchaser in order to improve the terms of the purchase in the interests of protecting the corporate value of the Company and the common interests of its shareholders.
2. In accordance with the results achieved as per the provisions of the preceding clause, the Special Panel shall present an alternative plan to the shareholders.

Article 8

In order to gather necessary information, the Special Panel can ask the Board of Directors to arrange for the attendance of directors, corporate auditors, executive officers, employees, and any other persons whose attendance the Special Panel deems necessary, and can ask those persons to brief it on such matters as it stipulates.

Article 9

The Special Panel can, at the Company's expense, seek the advice of independent third parties (e.g., financial advisers, certified public accountants, lawyers, consultants, and other experts).

Article 10

Any member of the Special Panel can convene the Special Panel whenever a purchase bid has occurred or at any other time.

Article 11

Resolutions of the Independent Panel shall in principle be adopted by a majority of the members present with all members in attendance. In the absence or disability of a member, however, a resolution can be adopted by a majority of the members present with a majority of members in attendance.

Candidates for the Special Panel

NAKAMURA Nobuo

April 1991	Full-time Lecturer, Faculty of Law, Aichi Gakuin University
April 1994	Assistant Professor, School of Commerce, Waseda University
April 1996	Associate Professor, School of Commerce, Waseda University
April 2001	Professor, School of Commerce, Waseda University and subsequently Professor, Faculty of Commerce Waseda University (current position)
March 2004	Visiting Researcher, Institute of Advanced Legal Studies, University of London (until March 2005)
August 2007	Outside Director of the Company (retired in August 2008)

SEKINE Chikako

April 1972	Joined Shiseido Yamagata Sales Co., Ltd.
April 2006	General Manager, Osaka Branch of Shiseido Sales Co., Ltd. (currently Shiseido Japan Co., Ltd.)
April 2008	Seconded to Headquarters of d'ici là Co., Ltd.
	General Manager, Japan Marketing Headquarters of d'ici là Co., Ltd.
October 2009	General Manager, Beauty Consultation Planning Group, International Marketing Department, International Business Division of Shiseido Company, Limited
April 2012	Corporate Officer of Shiseido Company, Limited
April 2014	Corporate Executive Officer of Shiseido Company, Limited
January 2016	Corporate Advisor of Shiseido Company, Limited
April 2018	Representative Director of B-mind Corporation (current position)
August 2019	Outside Director of the Company (current position)
June 2021	Outside Director of TOLI Corporation (current position)

MATSUO Shinkichi

April 1991	Joined Mitsubishi Electric Corporation
March 1993	Joined Yokohama City Government
October 1995	Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
April 1999	Registered as a certified public accountant
July 2018	Representative Director of NextLeap Co., Ltd. (current position)
June 2019	Outside Audit & Supervisory Board Member of SEIKAGAKU CORPORATION (current position)
August 2019	Outside Corporate Auditor of the Company (current position)
June 2024	Outside Director (Audit & Supervisory Committee Member) of Hoosiers Holdings Co., Ltd. (current position)

TAKANO Daijiro

October 2005	Registered as an attorney-at-law Joined TMI Associates
August 2014	Masuda, Funai, Eifert & Mitchell, Ltd, Illinois, USA
October 2014	ARQIS Rechtsanwälte, Düsseldorf, Germany
March 2015	Admitted in the State of New York, USA
January 2017	Partner, TMI Associates (current position)
August 2021	Outside Corporate Auditor of the Company (current position)
September 2023	Outside Corporate Auditor, Place & Ability CO., LTD. (current position)

Status of Company Shares and Major Shareholders

(1) Matters with regard to shares (as of May 31, 2025)

- (i) Total number of authorized shares 37,000,000 shares
- (ii) Total number of issued shares 13,153,293 shares
- (iii) Number of shareholders 34,191

(2) Status of Major Shareholders (as of May 31, 2025)

	Number of Shares Held	Shareholding Ratio
	(Thousands)	(%)
The Master Trust Bank of Japan, Ltd. (trust account)	1,698	13.08
BNYM AS AGT/CLTS NON TREATY JASDEC	1,303	10.03
Nomura Co., Ltd.	632	4.87
Mizuho Bank, Ltd.	544	4.19
Sumitomo Mitsui Banking Corporation	476	3.67
Custody Bank of Japan, Ltd. (trust account)	417	3.21
NOMURA Akemi	243	1.87
TAKARA & CO GROUP Employee holdings association	231	1.78
Sumitomo Mitsui Trust Bank, Limited	169	1.30
Meiji Yasuda Life Insurance Company	168	1.29

(Note) Shareholding ratio is calculated excluding treasury stock (173,282 shares).