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Notice Regarding the Introduction of the Fundamental Policy on Corporate Control and the Response Policy for Large-Scale Purchase Activities

According to the information reported to the Company by Hikari Tsushin K.K. (“Hikari Tsushin”) on December 22, 2025, Hikari Tsushin has accumulated shares of the Company such that its holding ratio of share certificates, etc., together with those of its joint holders, has already exceeded 20% (Hikari Tsushin and its joint holders are hereinafter collectively referred to as “Hikari Tsushin et al.”, and such accumulation of shares by Hikari Tsushin et al. is hereinafter referred to as the “Share Accumulation”).

In light of the Share Accumulation, the Board of Directors of the Company resolved on December 29, 2025, from the perspective of securing and enhancing the Company’s corporate value and the common interests of shareholders, to (i) determine the fundamental policy regarding persons who should control decisions on the Company’s financial and business policies (as stipulated in the main clause of Article 118, Item 3 of the Regulations for Enforcement of the Companies Act; hereinafter referred to as the “Fundamental Policy on Corporate Control”), and (ii) as an initiative to prevent inappropriate persons from controlling decisions on the Company’s financial and business policies in light of the Fundamental Policy on Corporate Control (Article 118, Item 3 (b)(2)), introduce the response policy for Large-Scale Purchase Activities, etc. of the Company’s shares (as defined in III.3 below; hereinafter referred to as the “Response Policy”).

The introduction of the Response Policy was approved at the above Board meeting by the unanimous consent of all directors, including outside directors.

According to the Large Shareholding Report dated March 21, 2024 filed by Hikari Tsushin et al., Hikari Tsushin et al. began purchasing the Company’s shares in the market from February 19, 2024, and as of March 13, 2024 came to hold more than 5% of the Company’s voting rights. Thereafter, Hikari Tsushin et al. continued to acquire additional shares of the Company. Furthermore, according to Change Report No. 14 dated December 11, 2025, Hikari Tsushin et al. came to hold more than 19.51% of the Company’s voting rights as of December 4, 2025. Subsequently, on December 22, 2025, Hikari Tsushin notified the Company that its holding ratio of share certificates, etc. had exceeded 20%.

In the Large Shareholding Report and the Change Reports filed by Hikari Tsushin et al., the stated purpose of holding the Company’s shares is described as “pure investment.”

However, based on publicly available examples of timely disclosures by other companies—for example, ICOM Inc.’s

timely disclosure dated April 7, 2022 titled “Receipt of the Report from the Company’s Independent Committee Regarding Large-Scale Purchases, etc. of the Company’s Shares, Finalization and Notice of the Board’s Evaluation and Consideration Results, and Submission of Proposal to Confirm Shareholders’ Intent at the Annual General Meeting of Shareholders” (<https://f.irbank.net/pdf/20220407/140120220407518713.pdf>) , there are instances in which Hikari Tsushin et al., despite initially stating “pure investment” as the purpose of share acquisition, subsequently made shareholder proposals to the relevant company.

In light of Hikari Tsushin et al.’s stance toward share accumulations at other companies, it cannot be ruled out that the purpose of the Share Accumulation is to acquire control of the Company or otherwise exert influence over its management. As a result, it also cannot be ruled out that such Share Accumulation may be contrary to the Company’s corporate value and/or the common interests of shareholders.

The Company’s Board of Directors believes that the ultimate decision as to whether or not to accept Large-Scale Purchase Activities, etc. should be made by the shareholders.

In this regard, the Share Accumulation by Hikari Tsushin et al. has already resulted in a shareholding ratio exceeding 20%, and the Company has determined that this will have a significant impact on securing and enhancing the Company’s medium- to long-term corporate value and/or the common interests of shareholders. Accordingly, the Company believes it is necessary to ensure the information and time for shareholders to make an appropriate judgment as to how the Share Accumulation by Hikari Tsushin et al. will affect the Company’s corporate value, in order to prevent any outcomes contrary to the Company’s corporate value or the common interests of shareholders.

Therefore, the Board of Directors concluded that Large-Scale Purchase Activities, etc., including those by Hikari Tsushin et al., should be conducted in accordance with certain procedures established by the Board of Directors. On December 29, 2025, the Company resolved to introduce the Response Policy as an initiative to prevent inappropriate persons from controlling decisions on the Company’s financial and business policies in light of the Fundamental Policy on Corporate Control (Article 118, Item 3, (b) (2) of the Enforcement Regulations of the Companies Act), as a response policy to the Share Accumulation by Hikari Tsushin et al. and other Large-Scale Purchase Activities, etc. that may be contemplated under such circumstances.

The Response Policy is introduced primarily for the purpose of addressing Large-Scale Purchase Activities, etc. including the Share Accumulation, in light of the Share Accumulation which has already commenced, and is different from so-called takeover defense measures introduced during normal times.

In addition, in conjunction with the above resolution, the Board of Directors established an Independent Committee composed of two outside directors and one outside Audit & Supervisory Board member of the Company, for the purpose of preventing arbitrary judgments by the Board of Directors and further enhancing the fairness and objectivity of the operation of the Response Policy.

For the establishment of the Independent Committee and the appointment of its members, please refer to the “Notice Regarding the Establishment of the Independent Committee and the Appointment of Its Members” dated today.

As of today, except for the Share Accumulation, the Company has not received any notice, proposal or other communication from any specific third party, including shareholders of the Company, regarding Large-Scale Purchase Activities, etc. of the Company’s shares.

I. Fundamental Policy Regarding Persons Who Should Control Decisions on the Company's Financial and Business Policies

As a listed company, the Company believes that, if a specific person conducts Large-Scale Purchase Activities, etc. of the Company's shares, whether or not to accept such activities should ultimately be determined by the free will of shareholders.

However, in the event that Large-Scale Purchase Activities, etc. are conducted, without the provision of necessary and sufficient information by the Large-Scale Purchaser (as defined in III.3 below), it is difficult for shareholders to appropriately assess the impact of such activities on the Company's medium- to long-term corporate value and/or the common interests of shareholders.

Moreover, there are certain types of Large-Scale Purchase Activities, etc. that may impair the Company's medium- to long-term corporate value and/or the common interests of shareholders, including those intended to temporarily control management and transfer the Company's important tangible or intangible management resources to the Large-Scale Purchaser or its group companies; use the Company's assets to repay the Large-Scale Purchaser's debts; seek to have the Company or its related parties repurchase the Company's shares at a premium without a genuine intention to participate in management (so-called greenmail); dispose of high-value assets owned by the Company in order to realize temporarily high dividends; damage the Company's relationships with its stakeholders and thereby undermine its medium- to long-term corporate value; fail to provide shareholders and the Board of Directors with a reasonable period of time and sufficient information to review the content of the proposed acquisition; or otherwise not adequately reflect the Company's corporate value.

Accordingly, the Board of Directors believes that it is its responsibility to: (i) request the Large-Scale Purchaser to provide necessary and sufficient information for shareholders to make an informed judgment; (ii) provide shareholders, as a reference for their decision-making, with the results of the Board of Directors' evaluation and consideration regarding the impact of the proposed Large-Scale Purchase Activities, etc. on the Company's medium- to long-term corporate value and/or the common interests of shareholders; and (iii) negotiate or consult with the Large-Scale Purchaser regarding the proposed activities or the Company's management policies, and/or present alternative proposals to shareholders.

Based on this fundamental thinking, the Company will, within the scope permitted by the Financial Instruments and Exchange Act, the Companies Act, other applicable laws and regulations, and the Company's Articles of Incorporation, take measures deemed appropriate, including requesting the provision of necessary and sufficient information and making timely and appropriate disclosure thereof.

The Company's fundamental thinking regarding persons who should control decisions on the Company's financial and business policies is as stated above.

The Board of Directors believes that, when a Large-Scale Purchaser implements Large-Scale Purchase Activities, etc. with respect to the Company's shares, such activities should ultimately be conditioned on shareholders having been provided sufficiently in advance with the time and information necessary to examine in detail the purpose and content of such Large-Scale Purchase Activities, etc., and on shareholders consenting to the implementation thereof. From this perspective, as long as the Large-Scale Purchaser complies with the procedures set forth in the Response Policy, when the Board of Directors considers activating countermeasures under the Response Policy, the Company will convene a general meeting of shareholders (hereinafter referred to as the "Shareholders' Meeting to Confirm Shareholders' Intent") as a forum for shareholders to examine and determine whether to accept the relevant Large-Scale Purchase Activities, etc. If, at the Shareholders' Meeting to Confirm Shareholders' Intent, shareholders express their support for the Large-Scale Purchase Activities, etc. (which will be expressed through whether the proposal to approve the Company taking prescribed countermeasures in the event that the Large-Scale Purchase Activities, etc. are conducted is approved by a majority of the

voting rights exercised by shareholders eligible to exercise voting rights at such meeting), then the Board of Directors will not take actions to substantively prevent the Large-Scale Purchase Activities, etc., as long as they are conducted in accordance with the conditions and content disclosed at such meeting.

Conversely, if shareholders do not approve the proposal concerning the Company taking countermeasures against the Large-Scale Purchase Activities, etc. at the Shareholders' Meeting to Confirm Shareholders' Intent (i.e., the proposal is not approved by an ordinary resolution), the Board of Directors will not take actions to prevent the relevant Large-Scale Purchase Activities, etc.

Accordingly, countermeasures under the Response Policy (specifically, the gratis allotment of stock acquisition rights) will be activated, giving maximum respect to the recommendation of the Independent Committee, only in the following cases: (a) the activation of countermeasures is approved at the Shareholders' Meeting to Confirm Shareholders' Intent and the Large-Scale Purchaser does not withdraw the Large-Scale Purchase Activities, etc.; or (b) the Large-Scale Purchaser fails to comply with the procedures described in Section III.4 below.

II Special Initiatives Contributing to the Realization of the Fundamental Policy

1 Initiatives to Enhance the Company's Corporate Value and the Common Interests of Shareholders

(1) Management Philosophy and Management Policy

The MEDIA DO Group operates with the mission of “unleashing a virtuous cycle of literary creation” by distributing copyrighted works as broadly as possible under fair conditions and returning profits to creators. Guided by the vision of “MORE CONTENT FOR MORE PEOPLE!,” we are committed to expanding our business operations and enhancing corporate value, thereby contributing to the development of culture and the creation of a richer society in Japan. In line with Article 1 of Chapter 1, General Provisions of the Japanese Copyright Act, which states that “works contributes to cultural development” and emphasizes the “balance between the use and protection of creations,” we are dedicated to delivering a wide range of digitized copyrighted works to as many people as possible, ensuring fair compensation to creators for their use, and promoting a healthy cycle of creative content.

(2) Medium- to Long-Term Management Strategy to Realize the Management Policy

The size of the domestic eBook market continued to expand after growing significantly due to the special demand for stay-at-home activities during the COVID-19 pandemic, expanding to approximately ¥640 billion in 2024. Although the growth rate is expected to moderate compared to previous years, the market is projected to continue expanding, reaching just under 800 billion yen by 2029 (Source: Impress Research Institute, “eBook Marketing Report 2025 on Japanese Market”).

Globally, the eBook market surpassed 2 trillion yen in 2023 and is expected to maintain its expansion (Source: Ministry of Internal Affairs and Communications, “2024 White Paper Information and Communications in Japan”). Unlike Japan, where manga dominates the eBook market, overseas markets feature a higher proportion of text-based content, and in some regions, the audiobook market has grown to a scale comparable to eBooks. Furthermore, the widespread use of video streaming platforms has led to simultaneous global distribution of Japanese animations and other media content in multiple languages, increasing global interest in the original manga and novels.

In response to this environment, the Group will continue to pursue its vision of “More Content for More People!,” As a

growth driver, we will leverage these changes to enhance corporate value. We have released a new five-year Medium-Term Management Plan beginning with FYE 2/26. While manga remains the leading force in the domestic market, we will further evolve our content distribution solutions to encompass text-based content and audiobooks both in Japan and internationally, aiming to lead the global growth of Japan's publishing industry.

[Management Strategies]

① Evolution as a Comprehensive Book Distribution Solutions Provider

As the largest eBook distributor in Japan, the Company Group handles approximately 3.12 million digital content files and maintains extensive transaction relationships with virtually all publishers and eBook retailers. Through this platform, the Company Group has established a unique position in which content from across Japan continues to be aggregated.

Going forward, the Company Group aims to further evolve beyond eBooks and become a comprehensive book distribution solutions provider, thereby driving further market development. By enhancing and expanding distribution solutions that deliver content in optimal formats, the Company Group will aggregate more domestic content and distribute it worldwide through the following initiatives:

- Promoting the digitalization of not only manga, which is already highly digitized in Japan, but also text-based content
- Promoting the multi-use of domestic content
- Developing the Media Do Translation System (MDTS), which enables multilingual translation, and establishing a framework to translate eBook files into multiple languages within a short period at low cost
- Distributing translated content in formats such as eBooks, audiobooks, and print books, tailored to the needs and market conditions of each country

② Creation of Diverse Content and Trust-Building with Society through the SC (Sustainability Creation) Business

Since its founding, the Company has emphasized contributing not only to the development of the publishing industry but also to the broader development of society, which serves as the foundation for various industries. In particular, the Company has continuously contributed to society by rediscovering and recreating content and value rooted in local communities and delivering them both domestically and internationally. By conducting these activities as part of its business, the Company Group aims not only to achieve profit growth but also to build trust with society, business partners, and employees through social contribution, thereby creating new businesses and value on an ongoing basis and aspiring to become a corporate group capable of sustainable growth over the long term. Key initiatives include:

- Expanding profit contributions through the operation of the men's professional basketball club "TOKUSHIMA GAMBAROUS"
- Leveraging tailwinds such as the planned construction of a new arena by Tokushima Prefecture and Tokushima City to increase revenue and attendance, with the aim of entering the top-tier league
- Expanding social contribution, trust, and recognition through a broad range of activities, including entrepreneurship support, in addition to operating the OKUSHIMA GAMBAROUS

2 Initiatives Related to Corporate Governance

(1) Basic Approach to Corporate Governance

In the context of increasing globalization of management and the pursuit of further business expansion and enhancement of corporate value, the Company recognizes that accelerating and streamlining management decision-making while strengthening corporate governance to improve management soundness and transparency constitutes a critical management issue. To enhance management soundness, it is essential to establish corporate ethics and instill them throughout the

organization, thereby fostering a corporate culture in which each officer and employee can make accurate and fair decisions. In addition, the Company believes that prompt and proactive information disclosure is indispensable to enhancing management transparency and building long-term trust with various stakeholders. Accordingly, the Company strives to further strengthen its disclosure framework in both statutory and voluntary disclosures.

Under the supervision of the Board of Directors, the Company will continue to pursue continuous improvements in corporate governance, including appropriate resource allocation and expedited decision-making, in order to achieve fair, transparent, and effective management.

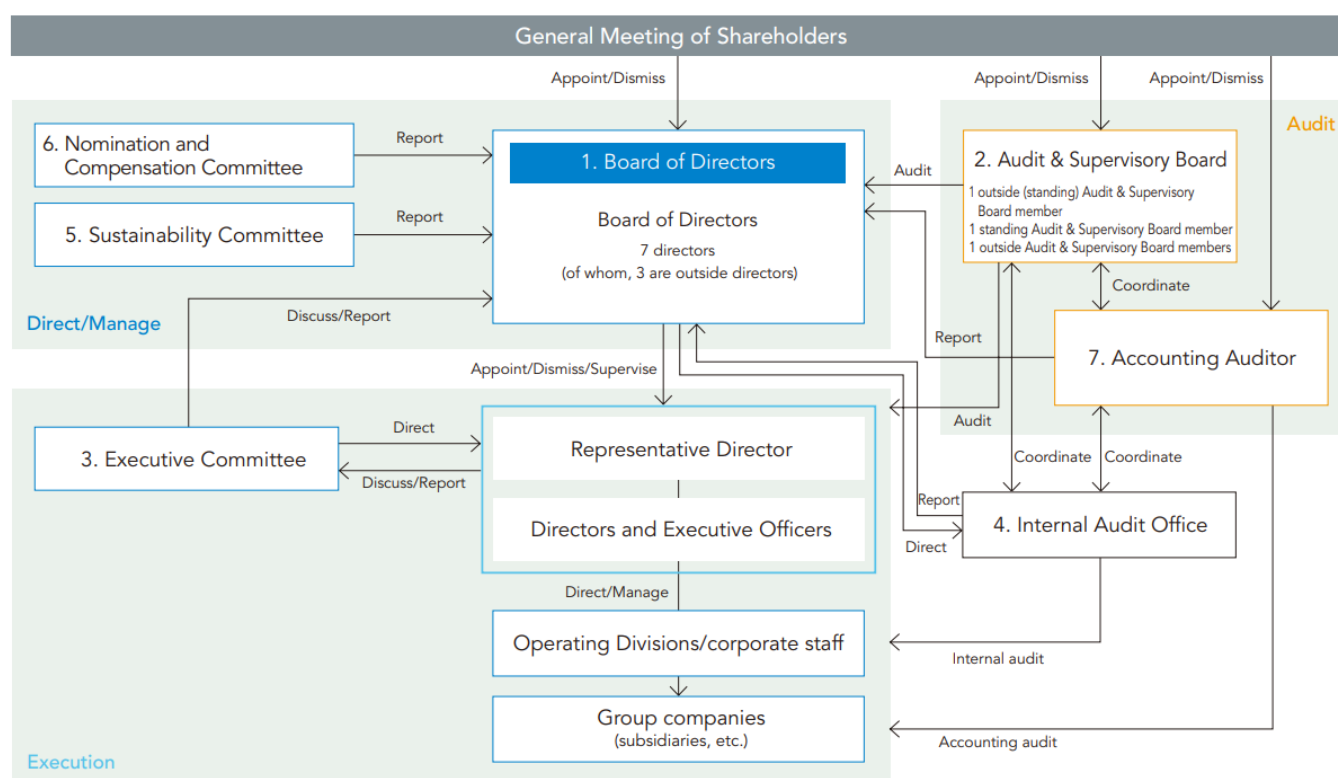
(2) Overview of the Corporate Governance Structure and Reasons for Its Adoption

The Company has adopted the structure of a company with an Audit & Supervisory Board, which provides a dual oversight system consisting of supervision by the Board of Directors and legality and validity audits by the Audit & Supervisory Board.

Under the current governance structure, all outside Audit & Supervisory Board members are independent officers, and the Board of Directors includes three independent outside directors. In this framework, outside Audit & Supervisory Board members audit not only the legality but also the appropriateness of business execution by executive directors, while outside directors exercise voting rights and oversight at Board meetings to ensure the protection of the interests of general shareholders. In addition, the Company established a voluntary Nomination and Compensation Advisory Committee in June 2021 to enhance management transparency and fairness, strengthen the Board's supervisory function, and accelerate execution. Furthermore, in June 2022, the Company established a Sustainability Promotion Committee to promote integrated enterprise risk management and deepen sustainability-oriented management. Through these initiatives, the Company will continue to enhance corporate value by reinforcing the effectiveness of corporate governance and practicing its corporate philosophy.

< Diagram Illustrating the Relationship between the Company's Organizational Structure and Internal Control System

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(3) Other Matters

For other initiatives related to corporate governance, please refer to the Company's Corporate Governance Report.

III Details of the Response Policy (Initiatives to Prevent Inappropriate Persons from Controlling Decisions on the Company's Financial and Business Policies in Light of the Fundamental Policy on Corporate Control)

1 Purpose and Overview of the Response Policy

Fundamental Policy Regarding Persons Who Should Control Decisions on the Company's Financial and Business Policies in Section I above, with the objective of maximizing the Company's corporate value and the common interests of shareholders.

The Board of Directors believes that whether or not to accept Large-Scale Purchase Activities, etc. should ultimately be determined by shareholders from the perspective of maximizing corporate value and the common interests of shareholders.

To this end, the Company has established the Response Policy as a set of rules governing Large-Scale Purchase Activities, etc. of the Company's shares, under which the Company will request the provision of necessary and sufficient information from the Large-Scale Purchaser in advance, secure sufficient time for the Board of Directors to evaluate and consider such information, negotiate with the Large-Scale Purchaser, and present alternative proposals to shareholders, as appropriate.

If a Large-Scale Purchaser attempts to conduct Large-Scale Purchase Activities, etc. without complying with the procedures set forth in Section III.4 below, thereby undermining the above objectives, the Board of Directors may, after giving maximum respect to the recommendation of the Independent Committee, activate prescribed countermeasures.

2 Establishment of the Independent Committee

In order to ensure the proper operation of the Response Policy, prevent arbitrary decisions by the Board of Directors, and secure the objectivity and reasonableness of the Board's judgments and responses, the Company will establish an Independent Committee in accordance with the Independent Committee Rules (an outline of which is set forth in Appendix 1).

The members of the Independent Committee shall consist of 3 or more persons and, in order to enable fair and neutral judgment, shall be appointed from among those who fall under any of the following categories and are independent from the Company's business execution: outside directors of the Company, outside Audit & Supervisory Board members of the Company, or external experts (such as experienced corporate executives, lawyers, certified public accountants, consultants, and other professionals; the same shall apply hereinafter).

For the members of the Independent Committee at the time of the introduction of the Response Policy, please refer to today's announcement titled "Establishment of the Independent Committee and Appointment of the Members of the Independent Committee."

Prior to the activation of countermeasures, the Board of Directors of the Company shall consult the Independent Committee on whether or not to activate countermeasures and other matters necessary for taking actions in accordance with the Response Policy, and the Independent Committee shall, after carefully evaluating and considering the Large Scale Purchase Activities, etc. from the perspective of enhancing the Company's corporate value and, in turn, the common interests of shareholders, make recommendations to the Board of Directors of the Company as to whether or not the circumstances warrant the activation of countermeasures, etc.

The Board of Directors of the Company shall, having given maximum respect to the recommendations of the Independent Committee, decide on the activation of countermeasures, etc.

The Company will, as appropriate, disclose an outline of the recommendations of the Independent Committee.

In order to ensure that the judgment of the Independent Committee is made in a manner that contributes to the Company's corporate value and, in turn, the common interests of shareholders, the Independent Committee may, as necessary and at the Company's expense, obtain advice from independent third party external experts (including financial advisors, certified public accountants, lawyers, consultants, and other professionals), etc.

3 Large Scale Purchase Activities, etc. Subject to the Response Policy

In the Response Policy, "Large Scale Purchase Activities, etc." means:

(1) any act of purchasing the Company's Share Certificates, etc. (Note 3) (including, but not limited to, the commencement of a tender offer), for the purpose of causing the voting rights ratio (Note 2) of a Specific Shareholder Group (Note 1) to be 20% or more;

(2) any act of purchasing the Company's Share Certificates, etc. (including, but not limited to, the commencement of a tender offer), as a result of which the voting rights ratio of a Specific Shareholder Group becomes 20% or more; or

(3) regardless of whether or not the acts set forth in (1) or (2) above are carried out, any agreement or other act conducted by a Specific Shareholder Group of the Company with another shareholder of the Company (including the case of multiple shareholders; the same shall apply in (3) below) that, as a result of such act, causes such other shareholder to fall under the category of a joint holder of such Specific Shareholder Group, or any act (Note 5) that establishes a relationship between such Specific Shareholder Group and such other shareholder under which one substantively controls the other or the parties act jointly or in concert (Note 4) (provided, however, that this shall be limited to cases where the aggregate share certificates,

etc. holding ratio of such specific shareholder and such other shareholder with respect to the Share Certificates, etc. issued by the Company becomes 20% or more) in each case, excluding those to which the Board of Directors of the Company has given prior consent). “Large Scale Purchaser” means, as set forth above, a person who conducts or intends to conduct such Large Scale Purchase Activities, etc. by itself or jointly or in concert with another person.

(Note 1) Meaning of “Specific Shareholder Group” means:

- (i) Holders (as defined in Article 27 23, paragraph (1) of the Financial Instruments and Exchange Act; including persons deemed to be included in holders pursuant to paragraph (3) of the same Article) of the Company’s Share Certificates, etc. (meaning share certificates, etc. as defined in Article 27 23, paragraph (1) of the Financial Instruments and Exchange Act) and their joint holders (meaning joint holders as defined in paragraph (5) of the same Article; including persons deemed to be joint holders pursuant to paragraph (6) of the same Article);
- (ii) Persons who conduct purchases, etc. (meaning purchases, etc. as defined in Article 27 2, paragraph (1) of the same Act, including those conducted in a financial instruments exchange market) of the Company’s Share Certificates, etc. (meaning share certificates, etc. as defined in Article 27 2, paragraph (1) of the same Act) and their special related persons (meaning special related persons as defined in paragraph (7) of the same Article); and
- (iii) Persons related to those in (i) or (ii) above (meaning a group consisting of persons who have common substantive interests with such persons, including investment banks, securities firms, other financial institutions and others that have entered into financial advisory agreements with such persons, tender offer agents, lawyers, accountants and other advisors, and persons that are reasonably deemed by the Board of Directors of the Company to be persons who are substantively controlled by such persons or who act jointly or in concert with such persons).

(Note 2) Meaning of “Voting Rights Ratio” means,

- (i) depending on the specific purchase method of the Specific Shareholder Group: where the Specific Shareholder Group is a holder of the Company’s Share Certificates, etc. (meaning share certificates, etc. as defined in Article 27 23, paragraph (1) of the Financial Instruments and Exchange Act) and its joint holders, the share certificates, etc. holding ratio (meaning the share certificates, etc. holding ratio as defined in paragraph (4) of the same Article) of such holder (in this case, the number of share certificates, etc. held by the joint holders of such holder (meaning the number of share certificates, etc. held as defined in the same paragraph) shall also be taken into account in the calculation); or
- (ii) where the Specific Shareholder Group is a person who conducts purchases, etc. of the Company’s Share Certificates, etc. (meaning share certificates, etc. as defined in Article 27 2, paragraph (1) of the same Act) and its special related persons, the aggregate of the share certificates, etc. ownership ratios (meaning the share certificates, etc. ownership ratios as defined in paragraph (8) of the same Article) of such person conducting purchases, etc. and such special related persons. かかる議決権割合の計算上、In calculating such voting rights ratio:
 - (a) special related persons as defined in Article 27 2, paragraph (7) of the same Act;
 - (b) investment banks, securities firms and other financial institutions that have entered into financial advisory agreements with such specific shareholder, as well as tender offer agents of such specific shareholder, lead managing securities companies (hereinafter referred to as “Contracted Financial

Institutions, etc.”), lawyers, accountants, tax accountants and other advisors; and
(c) persons who have acquired the Company’s Share Certificates, etc. from those falling under (a) or (b) above through off market negotiated transactions or through off auction trading in the Tokyo Stock Exchange (ToSTNeT 1), shall be deemed, under the Response Policy, to be joint holders of such specific shareholder.

In addition, in calculating such voting rights ratio, joint holders (including those deemed to be joint holders under the Response Policy; the same shall apply hereinafter) shall be deemed, under the Response Policy, to be special related persons of such specific shareholder.

In calculating the share certificates, etc. holding ratio or the share certificates, etc. ownership ratio of the Company, the total number of issued shares (as defined in Article 27 23, paragraph (4) of the same Act) and the total number of voting rights (as defined in Article 27 2, paragraph (8) of the same Act) may be determined by referring to the most recently filed among the securities report, semi-annual securities report, and report on the status of repurchase of own share certificates, etc.

(Note 3) Meaning of “Share Certificates, etc.”

“Share Certificates, etc.” means share certificates, etc. as defined in Article 27 23, paragraph (1) of the Financial Instruments and Exchange Act.

(Note 4) Criteria for Determining “Substantive Control” or “Acting Jointly or in Concert” Whether a “relationship is established between such Specific Shareholder Group and such other shareholder under which one substantively controls the other or the parties act jointly or in concert” shall be determined based on the formation of, among others, new capital relationships, business alliances, transactional or contractual relationships, interlocking director relationships, funding relationships, credit provision relationships, substantive interest relationships regarding the Company’s Share Certificates, etc. through derivatives or securities lending, etc., and the direct or indirect influence exerted on the Company by such Specific Shareholder Group and such other shareholder.

(Note 5) Determination of Whether the Acts in (3) Have Been Conducted Whether the acts prescribed in (3) of the main text have been conducted shall be reasonably determined by the Board of Directors of the Company (in making such determination, the Board of Directors shall give maximum respect to the recommendations of the Independent Committee).

In addition, the Board of Directors of the Company may request shareholders of the Company to provide necessary information to the extent necessary to determine whether the requirements prescribed in (3) of the main text are met.

Furthermore, the Response Policy shall also apply to Specific Shareholder Groups whose voting rights ratio already equals or exceeds the ratio set forth in (1) above as a result of purchases, etc. conducted by the time of the introduction of the Response Policy, and such persons shall also be deemed “Large Scale Purchasers.” In such cases, conducting new purchases, etc. shall constitute “Large Scale Purchase Activities, etc.”

Accordingly, if, at the time of the announcement of the introduction of the Response Policy, the voting rights ratio of a Specific Shareholder Group is already 20% or more, or if the aggregate share certificates, etc. holding ratio of the Specific Shareholder Group and another shareholder is 20% or more as a result of the act set forth in (3) above, then, with respect to any new purchase act set forth in (1) or (2) above (to avoid doubt, this includes the act of newly acquiring even one (1) share of the Company’s Share Certificates, etc.), or any new act conducted with another shareholder as set forth in (3) above, it will be necessary to follow the procedures prescribed in the Response Policy.

4 Procedures Up to the Activation of Countermeasures

(1) Submission of the Statement of Intent Regarding Large Scale Purchase Activities, etc.

If a Large Scale Purchaser intends to conduct Large Scale Purchase Activities, etc., prior to such Large Scale Purchase Activities, etc. or the proposal thereof, and no later than sixty (60) business days prior thereto, it shall submit to the Board of Directors of the Company a statement of intent (hereinafter referred to as the “Statement of Intent Regarding Large Scale Purchase Activities, etc.”) prepared in Japanese using the form prescribed by the Company.

In the Statement of Intent Regarding Large Scale Purchase Activities, etc., depending on the content and manner, etc. of the contemplated Large Scale Purchase Activities, etc., the Large Scale Purchaser shall describe in Japanese matters corresponding to the matters required to be stated in the tender offer registration statement set forth in Article 27-3, paragraph (2) of the Financial Instruments and Exchange Act, and the Statement of Intent Regarding Large Scale Purchase Activities, etc. shall bear the signature or name and seal of the representative of the Large Scale Purchaser, and a certificate evidencing the qualification of the representative who provided such signature or name and seal shall be attached.

If the Board of Directors of the Company receives the Statement of Intent Regarding Large Scale Purchase Activities, etc. from the Large Scale Purchaser, the Company will promptly disclose the fact thereof and, as necessary, the contents thereof.

(2) Request for the Provision of Required Information

In principle, within 5 business days from the day following the day on which the Company receives the Statement of Intent Regarding Large Scale Purchase Activities, etc. from the Large Scale Purchaser, the Company will deliver to the Large Scale Purchaser a document (hereinafter referred to as the “Required Information List”) describing information relating to the Large Scale Purchase Activities, etc. (hereinafter referred to as the “Required Information”), and the Large Scale Purchaser shall submit the Required Information to the Board of Directors of the Company in writing in accordance with the Required Information List.

General items of the Required Information are as set forth in Appendix 2; however, the items to be requested and their specific contents may differ depending on the attributes of the Large Scale Purchaser and the details of the Large Scale Purchase Activities, etc.

In any case, the scope will be limited to what is necessary and sufficient for shareholders’ judgment and for the Board of Directors of the Company to form its opinion.

From the perspective of ensuring prompt operation of the Response Policy, the Board of Directors of the Company may, as necessary, set a deadline for the provision of information by the Large Scale Purchaser. However, if the Large Scale Purchaser requests an extension based on reasonable grounds, such deadline may be extended. In addition, if, as a result of the Board of Directors’ review of the Required Information initially submitted pursuant to the above, the Board of Directors of the Company considers that such Required Information is not necessary and sufficient as information for evaluating and considering the Large Scale Purchase Activities, etc., the Board of Directors of the Company may, as appropriate, set a reasonable deadline and request the Large Scale Purchaser to provide additional information (in making such determination, the Board of Directors will give maximum respect to the judgment of the Independent Committee). The Required Information provided to the Board of Directors of the Company shall be submitted to the Independent Committee, and if it is deemed necessary for shareholders’ judgment, the Board of Directors will disclose all or part of such information at a time the Board of Directors deems appropriate.

(3) Board Evaluation Period

After a Large Scale Purchaser submits the Statement of Intent Regarding Large Scale Purchase Activities, etc. to the Board of Directors of the Company, the Board of Directors of the Company shall set a period of up to 60 business days as the period for evaluation, consideration, negotiation, formation of its opinion, and formulation of alternatives by the Board of Directors of the Company (hereinafter referred to as the “Board Evaluation Period”).

During the Board Evaluation Period, the Board of Directors of the Company shall, as necessary, while obtaining advice from independent third party external experts (financial advisors, certified public accountants, lawyers, consultants, and other professionals) separate from the Independent Committee, thoroughly evaluate and consider the Required Information provided, and, having given maximum respect to the recommendations of the Independent Committee, carefully compile the Board’s opinion and disclose it. In addition, as necessary, the Board of Directors may negotiate with the Large Scale Purchaser regarding improvement of the terms and conditions of the Large Scale Purchase Activities, etc., and may also present alternatives to shareholders as the Board of Directors of the Company.

Large Scale Purchase Activities, etc. may be commenced only after the lapse of the Board Evaluation Period (provided, however, that if the Company convenes a Shareholders’ Meeting to Confirm Shareholders’ Intent, then: if the proposal regarding activation of countermeasures is rejected, only after the conclusion of such Shareholders’ Meeting to Confirm Shareholders’ Intent; and if the proposal regarding activation of countermeasures is approved, only after the conclusion of the meeting of the Board of Directors of the Company convened promptly after the conclusion of such Shareholders’ Meeting to Confirm Shareholders’ Intent).

(4) Convening of a Shareholders’ Meeting to Confirm Shareholders’ Intent

The Company will decide to convene a Shareholders’ Meeting to Confirm Shareholders’ Intent within 0 business days and, promptly after such decision, convene the Shareholders’ Meeting to Confirm Shareholders’ Intent. At such Shareholders’ Meeting to Confirm Shareholders’ Intent, the Company will confirm shareholders’ intent as to whether or not to accept that Large Scale Purchase Activities, etc. are carried out, by asking for approval or disapproval in the form of voting on the proposal regarding activation of countermeasures. In addition, at such Shareholders’ Meeting to Confirm Shareholders’ Intent, the Board of Directors of the Company may propose an alternative plan toward maximizing the Company’s medium to long term corporate value or shareholders’ interests in place of allowing Large Scale Purchase Activities, etc. to be carried out. In making such proposal, the Board of Directors of the Company shall give maximum respect to the opinions of the Independent Committee.

Shareholders will be requested to review the information relating to the Large Scale Purchase Activities, etc., and then express their judgment as to whether or not to accept that Large Scale Purchase Activities, etc. are carried out, in the form of approval or disapproval of the proposal regarding activation of countermeasures proposed by the Board of Directors of the Company. If such proposal obtains the affirmative vote of a majority of the voting rights of shareholders who are entitled to exercise voting rights and who attend the Shareholders’ Meeting to Confirm Shareholders’ Intent, the proposal regarding activation of such countermeasures shall be deemed approved. If the Company convenes a Shareholders’ Meeting to Confirm Shareholders’ Intent, the Board of Directors of the Company shall send to shareholders, together with the notice of convocation of the shareholders’ meeting, a document describing the Required Information provided by the Large Scale Purchaser, the opinion of the Board of Directors of the Company on such Required Information, alternatives proposed by the Board of Directors, and other matters the Board of Directors deems appropriate, and will disclose such information in a timely

and appropriate manner. The Company will also notify, in a timely and appropriate manner, details such as the scope of shareholders entitled to exercise voting rights, the record date for exercising voting rights, and the date and time of such Shareholders' Meeting to Confirm Shareholders' Intent.

(5) Countermeasures

If, at the Shareholders' Meeting to Confirm Shareholders' Intent, shareholders approve the proposal regarding activation of countermeasures proposed by the Board of Directors of the Company, then the Board of Directors of the Company shall, in accordance with shareholders' intent and having given maximum respect to the opinion of the Independent Committee, activate the countermeasures described in 5 below (the gratis allotment of stock acquisition rights with discriminatory exercise conditions, etc. and acquisition provisions, etc.). Conversely, if shareholders do not approve the proposal regarding activation of countermeasures at such Shareholders' Meeting to Confirm Shareholders' Intent, the Board of Directors of the Company shall, in accordance with shareholders' intent, not activate countermeasures.

However, if the Large Scale Purchaser does not comply with the procedures described in (1) through (3) above and seeks to carry out Large Scale Purchase Activities, etc., shareholders will not be able to secure the time necessary to deliberate based on the information disclosed by the Large Scale Purchaser in order to decide whether or not to accept that Large Scale Purchase Activities, etc. are carried out, and it will also not be possible to secure an opportunity to confirm shareholders' intent.

In such case, the Board of Directors of the Company will, absent special circumstances, activate countermeasures without going through a Shareholders' Meeting to Confirm Shareholders' Intent.

In determining whether or not to activate countermeasures, the Board of Directors of the Company shall give maximum respect to the opinion of the Independent Committee.

5 Outline of Countermeasures

If the Board of Directors of the Company activates countermeasures in accordance with the procedures set forth in 4 above, the Board of Directors shall, giving maximum respect to the recommendations of the Independent Committee, make a decision as the corporate body under the Companies Act with respect to the activation of countermeasures.

In such case, the Board of Directors of the Company will, as specific countermeasures, conduct a gratis allotment of stock acquisition rights with discriminatory exercise conditions, etc., and the outline thereof shall, in principle, be as set forth in Appendix 3.

In conducting an actual gratis allotment of stock acquisition rights, the Company will set conditions in light of effectiveness as countermeasures, such as making it an exercise condition that the holder does not belong to a Specific Shareholder Group whose voting rights ratio is at or above a certain ratio.

6 Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors upon Introduction of the Response Policy

Upon introduction of the Response Policy, the gratis allotment of the stock acquisition rights will not be implemented. Accordingly, the Response Policy will not, upon its introduction, have any direct or specific impact on the legal rights or

economic interests of shareholders and investors.

(2) Impact on Shareholders and Investors upon Gratis Allotment of the Stock Acquisition Rights

Even if the Board of Directors of the Company takes countermeasures (specifically, a gratis allotment of stock acquisition rights) for the purpose of protecting the Company's corporate value and, in turn, the common interests of shareholders, due to the mechanism of such countermeasures, it is not anticipated that shareholders (excluding Disqualified Persons as set forth in Appendix 3 "Outline of Gratis Allotment of Stock Acquisition Rights," 5.; the same shall apply in (3) below) will suffer any particular loss in terms of legal rights or economic aspects.

On the other hand, shareholders who fall under the category of Disqualified Persons as set forth in Appendix 3 "Outline of Gratis Allotment of Stock Acquisition Rights," 5. may, if countermeasures are activated, ultimately suffer disadvantages in terms of legal rights or economic aspects.

If the Board of Directors of the Company decides to take specific countermeasures, the Company will make timely and appropriate disclosure in accordance with laws and regulations and the rules, etc. of the financial instruments exchange on which the Company is listed.

In addition, even after a proposal to activate countermeasures is approved at the Shareholders' Meeting to Confirm Shareholders' Intent (including after the gratis allotment of the stock acquisition rights becomes effective), the Company may, for example, cancel the allotment of stock acquisition rights, or acquire the stock acquisition rights for no consideration without delivering the Company's shares in exchange, by the day immediately prior to the commencement date of the exercise period of the stock acquisition rights, due to circumstances such as the Large Scale Purchaser having withdrawn the Large Scale Purchase Activities, etc. In such cases, shareholders or investors who sold, etc. their shares based on the premise that dilution of the value per share would occur may suffer corresponding losses due to fluctuations in the share price.

(3) Procedures Required of Shareholders upon Gratis Allotment of the Stock Acquisition Rights

If a gratis allotment of stock acquisition rights is conducted as countermeasures, shareholders will receive the allotment of stock acquisition rights without the need to apply for subscription, and, because shareholders will receive the Company's shares as consideration for the Company's acquisition of the stock acquisition rights through the Company taking the acquisition procedures, without paying money equivalent to the exercise price of the stock acquisition rights, procedures such as application or payment will not be required.

However, in such case, the Company may request shareholders who receive the allotment of stock acquisition rights to submit a written confirmation in the form prescribed by the Company, separately, pledging that they are not a Large Scale Purchaser, etc.

7 Mechanisms to Enhance the Reasonableness of the Response Policy

(1) Consistent with the Purposes of Guidelines, etc. Regarding Takeover Defense Measures

The Response Policy differs from so called takeover defense measures introduced in normal times; however, it reflects the purposes of: the three principles set forth in the "Guidelines Regarding Takeover Defense Measures for the Preservation or Enhancement of Corporate Value and Shareholders' Common Interests" published by the Ministry of Economy, Trade and

Industry and the Ministry of Justice on May 27, 2005 (the principle of preserving and enhancing corporate value and shareholders' common interests, the principle of prior disclosure and shareholders' intent, and the principle of ensuring necessity and proportionality); the report titled "The State of Takeover Defense Measures in Light of Recent Changes in Various Environments" published by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry on June 30, 2008; "Principle 1 5: So Called Takeover Defense Measures" of the "Corporate Governance Code" published by the Tokyo Stock Exchange on June 11, 2021; and the three principles set forth in the "Guidelines for Corporate Takeovers" published 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). Among the requirements set forth in these guidelines, etc., those that are applicable to an emergency response policy are also satisfied in the Response Policy.

(2) Respect for Shareholders' Intent (Direct Reflection of Shareholders' Intent)

In activating countermeasures under the Response Policy, the Company will reflect shareholders' intent by convening a Shareholders' Meeting to Confirm Shareholders' Intent. So long as the Large Scale Purchaser complies with the procedures described in 4 above, whether or not to activate countermeasures will be decided only based on shareholders' intent at the Shareholders' Meeting to Confirm Shareholders' Intent.

If the Large Scale Purchaser does not comply with the procedures described in 4 above and seeks to carry out Large Scale Purchase Activities, etc., countermeasures may be activated solely by the Board of Directors of the Company, having given maximum respect to the opinion of the Independent Committee; however, this results from the Large Scale Purchaser's decision not to give shareholders an opportunity to decide for or against the Large Scale Purchase Activities, etc. after sufficiently considering necessary and sufficient information, and the Company believes that activating countermeasures against such Large Scale Purchase Activities, etc. that disregard shareholders' intent is unavoidable in order to secure an opportunity to confirm shareholders' intent.

Furthermore, as set forth in 8 below, the Response Policy shall become effective as of today, and its effective period shall be one (1) year from today (however, if shareholders do not approve the introduction of the Response Policy at the annual general meeting of shareholders, the Board of Directors of the Company will immediately abolish the Response Policy).

In this manner, the Response Policy gives maximum respect to shareholders' intent.

(3) Emphasis on the Judgment of Highly Independent Outside Persons (Elimination of Arbitrary Judgment by Directors)

As described in (2) above, the Company will convene a Shareholders' Meeting to Confirm Shareholders' Intent and decide whether or not to activate countermeasures against Large Scale Purchase Activities, etc. in accordance with shareholders' intent.

So long as the Large Scale Purchaser complies with the procedures described in 4 above, whether or not to activate countermeasures will be decided based on the Shareholders' Meeting to Confirm Shareholders' Intent, and countermeasures will not be activated at the arbitrary discretion of the Board of Directors of the Company.

In addition, as described in 2 above, in order to ensure the necessity and proportionality of the Response Policy and prevent abuse of the Response Policy for management entrenchment, the Company will receive recommendations from the Independent Committee on whether or not to activate countermeasures and other matters necessary for taking actions in

accordance with the Response Policy.

Furthermore, in order to ensure fairness of its judgment and eliminate arbitrary judgment by the Board of Directors of the Company, the Board of Directors shall give maximum respect to the opinion of the Independent Committee.

In addition, the Independent Committee may, as necessary, obtain advice from external experts (financial advisors, lawyers, certified public accountants, tax accountants, etc.) independent from the Board of Directors and the Independent Committee. Through this, the objectivity and reasonableness of the Independent Committee's judgment are ensured.

Accordingly, the Response Policy eliminates arbitrary judgment by directors.

(4) Not a Dead Hand or Slow Hand Takeover Defense Measure

As set forth in 8 below, because the Response Policy may be abolished at any time by a resolution of the Board of Directors of the Company consisting of directors elected at a shareholders' meeting, the Response Policy is not a so called dead hand takeover defense measure (a takeover defense measure that cannot be prevented from being activated even if a majority of the Board of Directors is replaced) or a so called slow hand takeover defense measure (a takeover defense measure that requires time to prevent activation because the entire Board cannot be replaced at one time).

8 Procedures for Abolition of the Response Policy and Effective Period

The initial effective period of the Response Policy shall be until the conclusion of the first meeting of the Board of Directors convened after the annual general meeting of shareholders scheduled to be held by May 31, 2026.

However, if, at such time, there exists a person currently conducting Large Scale Purchase Activities, etc., or a person contemplating such acts, who is designated by the Board of Directors of the Company; if the voting rights ratio of a Specific Shareholder Group including Hikari Tsushin and others remains 20% or more; or if continuation is approved at the annual general meeting of shareholders scheduled to be held by May 31, 2026, the effective period will be extended.

The Response Policy shall be abolished at that time if: (1) a resolution is passed at a general meeting of shareholders of the Company to abolish the Response Policy; or (2) a resolution is passed by the Board of Directors of the Company to abolish the Response Policy.

In addition, even during the effective period of the Response Policy, the Board of Directors of the Company may review the Response Policy from time to time from the perspective of enhancing the Company's corporate value and, in turn, the common interests of shareholders, and may amend the Response Policy by resolution of the Board of Directors. If the Board of Directors makes a decision regarding continuation, amendment, abolition, etc. of the Response Policy, the Company will promptly disclose the details thereof.

Even during the effective period of the Response Policy, if new laws and regulations regarding the Response Policy, or rules, etc. of the financial instruments exchange on which the Company is listed, are established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition, or if it is appropriate to correct wording due to typographical errors, etc., and such changes do not disadvantage shareholders, the Board of Directors of the Company may, as necessary, with the consent of the Independent Committee, revise or amend the Response Policy.

Outline of the Independent Committee Rules

1. The Independent Committee shall be established by resolution of the Board of Directors of the Company for the purpose of excluding arbitrary judgment by the Board of Directors regarding activation, etc. of countermeasures against Large Scale Purchase Activities, etc., and ensuring the objectivity and reasonableness of the Board of Directors' judgment and responses.
2. The members of the Independent Committee shall consist of three (3) or more persons and shall be appointed by resolution of the Board of Directors of the Company from among those who fall under either of: (1) outside directors of the Company or outside Audit & Supervisory Board members of the Company; or (2) external experts independent from management engaged in the Company's business execution (experienced corporate executives, former government officials, lawyers, certified public accountants, academics or persons equivalent thereto).
3. The term of office of the members of the Independent Committee shall be until the date of conclusion of the annual general meeting of shareholders for the last fiscal year ending within 1 year from the time of appointment.
4. The Independent Committee shall be convened by any director or any member of the Independent Committee.
5. The chairperson of the Independent Committee shall be elected by and from among the members of the Independent Committee.
6. In principle, resolutions of the Independent Committee shall be adopted with the attendance of all members of the Independent Committee and by a majority vote thereof. However, if any member of the Independent Committee is unable to attend due to an accident or other special circumstances, resolutions shall be adopted with the attendance of a majority of the members of the Independent Committee and by a majority vote thereof.
7. The Independent Committee shall deliberate on and resolve the matters set forth in the following items, and shall recommend the resolved matters to the Board of Directors of the Company with reasons:
 - (1) whether or not to activate countermeasures under the Response Policy;
 - (2) suspension of activation of countermeasures under the Response Policy;
 - (3) in addition to (1) and (2), matters for which the Independent Committee is granted authority under the Response Policy;
 - (4) other matters relating to the Response Policy that the Board of Directors of the Company voluntarily consults the Independent Committee on.

Each member of the Independent Committee shall, in deliberations and resolutions of the Independent Committee, act solely from the perspective of whether it contributes to the Company Group's medium to long term corporate value and the common interests of shareholders, and shall not act for the purpose of pursuing personal interests of itself or management engaged in the Company's business execution.
8. The Independent Committee may, as necessary, require directors, employees, and other persons deemed necessary to attend, and may request opinions or explanations on matters requested by the Independent Committee.
9. In performing its duties, the Independent Committee may, at the Company's expense, obtain advice from external experts independent from management engaged in the Company's business execution and from the Independent Committee (including investment banks, securities firms, financial advisors, certified public accountants, lawyers, consultants, tax accountants, and other professionals).

Information Requested to be Provided by the Large Scale Purchaser

1. Details of the Large Scale Purchaser and its group (including joint holders, special related persons, and partners (in the case of a fund), and other members) (including information on name, business description, background or history, capital structure, financial condition, experience in businesses of the same type as the businesses of the Company and the Company Group, etc.).
2. Purpose, method and details of the Large Scale Purchase Activities, etc. (including the price and type of consideration for the Large Scale Purchase Activities, etc., timing of the Large Scale Purchase Activities, etc., structure of related transactions, legality of the method of the Large Scale Purchase Activities, etc., feasibility of the Large Scale Purchase Activities, etc. and related transactions, etc.).
3. Basis for calculating the purchase price for the Company's shares in the Large Scale Purchase Activities, etc. (including facts assumed as premises, calculation method, numerical information used for calculation, and details of synergies expected to arise from a series of transactions relating to the Large Scale Purchase Activities, etc.).
4. Financial basis for the funds for the Large Scale Purchase Activities, etc. (including specific names of fund providers (including ultimate providers), procurement method, and details of related transactions).
5. Candidates for directors of the Company and the Company Group after completion of the Large Scale Purchase Activities, etc. (including information on experience in businesses of the same type as the businesses of the Company and the Company Group, etc.), and management policy, business plan, financial plan, capital policy, dividend policy, and asset utilization measures of the Company and the Company Group.
6. Whether there will be changes to, and details of, relationships between the Company and the Company Group and stakeholders such as customers, business partners, and employees of the Company and the Company Group after completion of the Large Scale Purchase Activities, etc.

Outline of Gratis Allotment of Stock Acquisition Rights

Details of the Stock Acquisition Rights to be Allotted

1. Class of shares underlying the Stock Acquisition Rights

Common shares of the Company.

2. Number of shares underlying the Stock Acquisition Rights

The number of shares underlying one (1) Stock Acquisition Right shall be a number separately determined by the Board of Directors.

3. Amount of property to be contributed upon exercise of the Stock Acquisition Rights

The property to be contributed upon exercise of the Stock Acquisition Rights shall be cash, and the amount thereof shall be the amount obtained by multiplying one (1) yen by the number of shares underlying each Stock Acquisition Right.

4. Exercise period of the Stock Acquisition Rights

The period during which the Stock Acquisition Rights may be exercised shall be a certain period separately determined by the Board of Directors.

5. Conditions for exercise of the Stock Acquisition Rights

(a) Stock Acquisition Rights held by Disqualified Persons (including those substantively held) may not be exercised.

“Disqualified Person” means a person who falls under any of the following items (Note 1). In determining whether a person falls under a Disqualified Person (Note 2), the Board of Directors of the Company shall hear the opinions of the Independent Committee and give maximum respect to the recommendations of the Independent Committee.

- (i) Large Scale Purchaser
- (ii) joint holders of the Large Scale Purchaser (Article 27 23, paragraphs (5) and (6) of the Financial Instruments and Exchange Act)
- (iii) persons who have a Special Capital Relationship (Article 9, paragraph (1), item (2) of the Order for Enforcement of the Financial Instruments and Exchange Act) with joint holders of the Large Scale Purchaser (including persons with whom such person has a Special Capital Relationship; the same shall apply hereinafter)
- (iv) special related persons of the Large Scale Purchaser (Article 27 2, paragraph (7) of the Financial Instruments and Exchange Act)
- (v) persons who have a Special Capital Relationship with special related persons of the Large Scale Purchaser (including persons with whom such person has a Special Capital Relationship; the same shall apply hereinafter)
- (vi) persons whom the Board of Directors reasonably determines, based on the recommendations of the Independent Committee, to fall under any of the following:
 - (x) persons who acquired or succeeded to the Stock Acquisition Rights from any person falling under (i)

through (v) above without the Company's approval

(y) "related persons" (Note 3) of any person falling under (i) through (v) above

(Note 1) However, even if a person falls under any of the above items, such person shall not be a Disqualified Person if the Board of Directors of the Company recognizes that such person's acquisition and holding of the Company's Share Certificates, etc. does not run counter to the Company's corporate value and, in turn, the common interests of shareholders, or if such person is otherwise designated by the Board of Directors in the relevant resolution for the gratis allotment of the Stock Acquisition Rights.

(Note 2) The Board of Directors of the Company may request a person whose status as a Disqualified Person is at issue to provide information, etc. necessary for such determination.

(Note 3) "Related persons" means investment banks, securities firms, and other financial institutions that have entered into financial advisory agreements with such persons, other persons who share substantive interests with such persons, tender offer agents, lawyers, accountants, tax accountants and other advisors, or persons substantively controlled by such persons or acting jointly or in concert with such persons. In determining "related persons" with respect to partnerships or other funds, circumstances such as substantive identity of the fund manager and other relevant factors shall be taken into account.

- (b) Stock Acquisition Right holders may exercise the Stock Acquisition Rights only if they submit to the Company a document describing representations and warranties, indemnity provisions, and other matters determined by the Company, in the form prescribed by the Company, to the effect that they do not fall under Disqualified Persons set forth in 5(a) above (including, if exercising for the benefit of a third party, that such third party does not fall under Disqualified Persons set forth in 5(a) above), together with materials demonstrating satisfaction of conditions requested by the Company within a reasonable scope and documents required under laws and regulations, etc.
- (c) If, under applicable foreign securities laws or other laws and regulations, etc., persons located in a jurisdiction are required to complete certain procedures or satisfy certain conditions in order to exercise the Stock Acquisition Rights, such persons located in such jurisdiction may exercise the Stock Acquisition Rights only if the Company recognizes that all such procedures and conditions have been completed or satisfied. However, even if persons located in such jurisdiction would be able to exercise the Stock Acquisition Rights by the Company completing or satisfying such procedures and conditions, the Company shall not be obligated to complete or satisfy them.
- (d) Confirmation of satisfaction of the conditions set forth in 5(c) above shall be made in accordance with procedures similar to those set forth in 5(b), as determined by the Board of Directors.

6. Acquisition provisions

- (a) On a date determined by the Board of Directors on or after the effective date of the gratis allotment of the Stock Acquisition Rights, the Company may acquire, as consideration, a number of the Company's common shares corresponding to the integer part of the number obtained by multiplying the number of Stock Acquisition Rights to be acquired by the number of shares underlying one (1) Stock Acquisition Right, with respect to unexercised Stock Acquisition Rights that are exercisable in accordance with 5(a) and (b) above (that is, those held by persons not falling under Disqualified Persons) (including Stock Acquisition Rights held by persons falling under 5(c) above; hereinafter referred to as "Exercisable Stock Acquisition Rights" in 6(b) below).
- (b) On a date determined by the Board of Directors on or after the effective date of the gratis allotment of the Stock Acquisition Rights, the Company may acquire, as consideration, the same number of new stock acquisition rights as the number of such Stock Acquisition Rights to be acquired, with respect to unexercised Stock Acquisition Rights

other than Exercisable Stock Acquisition Rights, which new stock acquisition rights shall impose certain restrictions on exercise by Disqualified Persons (the contents of which shall be as determined by the Board of Directors, including the exercise conditions and acquisition provisions set forth below; hereinafter referred to as the “Second Stock Acquisition Rights”).

(i) Exercise conditions

Disqualified Persons may not exercise the Second Stock Acquisition Rights, except in the following cases and other cases determined by the Board of Directors:

- (x) where the Large Scale Purchaser suspends or withdraws the Large Scale Purchase Activities, etc. after the resolution of the Shareholders’ Meeting to Confirm Shareholders’ Intent, and covenants thereafter not to conduct the Large Scale Purchase Activities, etc., and the Large Scale Purchaser and other Disqualified Persons dispose of the Company’s shares by entrusting such disposal to a securities company approved by the Company;
- (y) where (α) the ratio recognized by the Board of Directors of the Company as the Large Scale Purchaser’s share certificates, etc. holding ratio (provided that, for the purposes of calculating the share certificates, etc. holding ratio in this (i), Disqualified Persons other than the Large Scale Purchaser and its joint holders shall also be deemed joint holders of such Large Scale Purchaser, and Stock Acquisition Rights among the Second Stock Acquisition Rights held by Disqualified Persons that do not satisfy the exercise conditions shall be excluded from the calculation) falls below 20%, or where (β) in a case where the ratio recognized by the Company as the Large Scale Purchaser’s share certificates, etc. holding ratio is 20% or more, the Large Scale Purchaser and other Disqualified Persons dispose of the Company’s shares through in market transactions and, after such disposal, the ratio recognized by the Board of Directors of the Company as the Large Scale Purchaser’s share certificates, etc. holding ratio falls below 20%.

(ii) Acquisition provisions

If, 10 years after the date on which the Second Stock Acquisition Rights are delivered, there remain Second Stock Acquisition Rights that have not been exercised, the Company may acquire such Second Stock Acquisition Rights (limited to those for which the exercise conditions are not satisfied) in exchange for cash consideration equivalent to the fair market value of such Second Stock Acquisition Rights at that time.

- (c) Confirmation of satisfaction of conditions for mandatory acquisition of the Stock Acquisition Rights shall be made in accordance with procedures similar to those set forth in 5(b), as determined by the Board of Directors. The Company may, at any time prior to the day immediately preceding the commencement date of the exercise period during which the Stock Acquisition Rights may be exercised, acquire all of the Stock Acquisition Rights for no consideration if the Board of Directors of the Company recognizes that such acquisition of the Stock Acquisition Rights is appropriate, as of a date separately determined by the Board of Directors.

7. Approval for transfer

Acquisition of the Stock Acquisition Rights by transfer shall require approval of the Board of Directors.

8. Matters concerning stated capital and capital reserves

Matters concerning the increases in stated capital and capital reserves resulting from exercise of the Stock Acquisition Rights and acquisition pursuant to the acquisition provisions shall be determined in accordance with laws and regulations, etc.

9. Fractional shares

If the number of shares to be delivered to a person who exercises Stock Acquisition Rights includes a fraction of less than 1 share, such fraction shall be rounded down. However, if such Stock Acquisition Right holder exercises multiple Stock Acquisition Rights simultaneously, the number of shares to be delivered may be aggregated across such exercises and the fraction may be calculated on the aggregate basis.

10. Issuance of certificates

No certificates for the Stock Acquisition Rights will be issued.

II. Number of Stock Acquisition Rights to be Allotted to Shareholders

1 Stock Acquisition Right shall be allotted per on 1 share of the Company's common shares (excluding the Company's own common shares).

III. Shareholders Eligible for the Gratis Allotment of the Stock Acquisition Rights

The Stock Acquisition Rights shall be allotted to all shareholders of the Company's common shares (excluding the Company) recorded or registered in the final shareholders registry as of the record date separately determined by the Board of Directors.

IV. Total Number of Stock Acquisition Rights

The total number shall be the same as the total number of issued shares of the Company as of the record date separately determined by the Board of Directors (excluding the number of the Company's own common shares).

V. Effective Date of the Gratis Allotment of the Stock Acquisition Rights

A date on or after the record date separately determined by the Board of Directors and separately determined by the Board of Directors.

VI. Other Matters

The gratis allotment of the Stock Acquisition Rights shall become effective subject to the satisfaction of either of the following: (1) approval is obtained at the Shareholders' Meeting to Confirm Shareholders' Intent and the Large Scale Purchase Activities, etc. are not withdrawn (if it is reasonably confirmed after the fact that Large Scale Purchase Activities, etc. are being conducted, this means that, within a reasonable period determined by the Board of Directors of the Company based on the recommendations of the Independent Committee, the holding, etc. of the Company's Share Certificates, etc. that constitutes Large Scale Purchase Activities, etc., or the specific possibility thereof, has not been eliminated); or (2) the Large Scale Purchaser does not comply with the procedures described in 4 of this document and seeks to carry out Large Scale Purchase Activities, etc. (if it is reasonably confirmed after the fact that Large Scale Purchase Activities, etc. are being conducted, this means that, within a reasonable period determined by the Board of Directors of the Company based on the recommendations of the Independent Committee, the holding, etc. of the Company's Share Certificates, etc. that constitutes Large Scale Purchase Activities, etc., or the specific possibility thereof, has not been eliminated).