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May 14, 2026

To whom it may concern:

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Notice Concerning the Proposal to be Put on the Agenda at the Ordinary General Meeting of Shareholders Seeking Confirmation of Shareholder Intent Regarding the Conditional Implementation of Countermeasures Taking into Consideration the (Emergency) Circumstances of a High Probability of a Large-scale Purchase, etc. of Company Share Certificates, etc. by Dalton Parties

Bunka Shutter Co., Ltd. (the "Company"), at its board of directors meeting held on September 3, 2025, introduced response measures for (i) the Share Buying Up of Company share certificates, etc. by Dalton Parties (Note 1), and (ii) any other Large-scale Purchase, etc.(Note 2) which may be contemplated under the circumstances where the Large-scale Purchase, etc. of Company share certificates, etc. by Dalton Parties continues (the "Response Policies") (Note 3).

For the reasons set forth below, the Company considers the circumstances in which it now finds itself to be an "emergency".

- As set forth in 1(1) below, it is assumed that there is a concrete possibility that going forward, Dalton Parties will carry out a Large-scale Purchase, etc. without complying with the procedures under the Response Policies.
- As set forth in 1(2) below, if Dalton Parties carry out a Large-scale Purchase, etc., the possibility cannot be denied that the medium-to-long-term corporate value of the Company and the common interests of shareholders will be harmed.
- Also as set forth in 1(2) below, on April 14, 2026, Dalton Parties made a shareholder proposal to the Company for the election of Dalton Parties-related individuals as directors, and there is a strong possibility that Dalton Parties are trying to induce or compel the Company to carry out an MBO in order to pursue their own short-term profits.
- As set forth in 2 below, in dialogues with multiple institutional investors, concerns were expressed regarding a Large-scale Purchase, etc. by Dalton Parties, and concerns of a conflict of interests between the Company's general shareholders and Dalton Parties have deepened.

In light of the foregoing circumstances and giving maximum respect to the recommendations of the Independent Committee discussed in 3 below, the Company has decided, from the perspective of the medium-to-long-term corporate value of the Company and securing the common interests of shareholders, to put on the agenda for the Company's 80th Ordinary General Meeting of Shareholders ("Ordinary General Meeting of Shareholders ") scheduled for June 17, 2026, a proposal ("Proposal") asking shareholders to approve the implementation of the countermeasures ("Countermeasures") based on the Response Policies, subject to the condition that it is found, going forward, that Dalton Parties have engaged in a Large-scale Purchase, etc. without complying with the procedures under the Response Policies.

The resolution to put the Proposal on the agenda was unanimously approved by all directors (including the eight independent outside directors).

(Note 1) "Dalton Parties" means, collectively, Dalton Investments, Inc. ("Dalton"), Nippon Active Value Fund PLC ("NAVF"), NAVF Select (Master) Fund LP, Dalton Investments LLC, Dalton Advisory KK, Rosenwald Capital Management, Inc., Rising Sun Management Ltd. ("RSM"), Hikari Acquisition, Michael 1925, and JMBO Fund Limited.
(Note 2) This has the meaning defined in section III2(2) of the Company's September 3, 2025 press release, "Notice Concerning Introduction of Response Policy to Large-scale Purchase etc. of Company Share Certificates etc. in Preparation for Large-scale Purchase etc. of Company Share Certificates etc. by Dalton Parties" ("Response Policy Press Release"); hereinafter the same.
(Note 3) For details of the Response Policies, see the Response Policy Press Release.

It is noted that as discussed below in 1(1), under the Response Policies, in the event that a Large-scale Purchaser (defined in III2(2) of the Response Policy Press Release; hereinafter the same) does not comply with the Response Policies, the Company's board of directors, acting alone, can implement the Countermeasures, without holding a Shareholders' Intent Confirmation Meeting; the purpose of the Proposal is for the Company, **from the perspective of respecting the intent of shareholders**, to ask for the advance approval of shareholders regarding the implementation of the Countermeasures by the Company's board of directors (giving maximum respect to the advice of the Independent Committee as of such time), in the case where Dalton Parties commence a Large-scale Purchase, etc. without complying with the procedures under the Response Policies.

1 Evaluation by the Board of Directors of Large-scale Purchase, etc. by Dalton Parties

(1) The Probability that a Large-scale Purchase etc. will be Made without Compliance with Procedures under the Response Policies

Under the Response Policies, in the case where a Large-scale Purchaser is complying with procedures under the Response Policies, if the board of directors opposes the Large-scale Purchase, etc. being made and believes that Countermeasures should be implemented in response, a Shareholders' Intent Confirmation Meeting is to be held, where the board of directors is to obtain the approval of shareholders regarding such implementation (see the Response Policy Press Release, III2(3)iv). Meanwhile, in the case where a Large-scale Purchaser is about to make a Large-scale Purchase, etc. without complying with the procedures under the Response Policies and there will not be sufficient time for shareholders to think carefully regarding whether to accept the Large-scale Purchase, etc. based on information disclosed by the Large-scale Purchaser and it will not be possible to ensure an opportunity to confirm the intent of shareholders, the board of directors is to implement the Countermeasures, unless there are special reasons not to do so, without holding a Shareholders' Intent Confirmation Meeting (see the Response Policy Press Release, III2(3)v).

In light of the course of events and the circumstances set forth in (i) through (iii) below, it is specifically thought to be probable that going forward, Dalton Parties will carry out a Large-scale Purchase, etc. without complying with the procedures under the Response Policies.

(i) Dalton Parties possess a large volume of Company share certificates, etc., but their purpose for doing so is unclear

As of June 10, 2025, which is prior to the implementation of the Response Policies, Dalton Parties possessed Company share certificates, etc. in a number representing a share certificate, etc. holding ratio of 19.69% (approximately, voting rights ratio of 19.93%); while no additional acquisition of Company share certificates, etc. by Dalton Parties following introduction of the Response Policies has been confirmed, as of April 1, 2026, Dalton Parties possessed Company share certificates, etc. in a number representing a share certificate etc. holding ratio of 20.55% (approximately, voting rights ratio of 21.01%); further, at a meeting with the Company on August 27, 2025 ("August 27 Meeting"), Dalton Parties requested that they be given the opportunity to further buy up Company share certificates, etc., and at a meeting with the Company on November 28, 2025 ("November 28 Meeting"), Dalton Parties stated that they had no intention of selling their Company shares. While Dalton Parties thus clearly indicated their intention to continue holding Company share certificates, etc. going forward and suggested that it was possible that they would continue buying up shares, in past dialogue, including the August 27 Meeting and November 28 Meeting, Dalton Parties have never specifically clarified what their purpose is in possessing Company share certificates, etc.

Further, on September 9, 2025, Dalton Parties issued a statement concerning their position on the Response Policies ("Statement"). Through the Statement, Dalton Parties unilaterally made statements that are contrary to fact and statements that are arbitrary and self-serving; the Statement distorts facts concerning the background leading to, and the purpose of the introduction of, the Response Policies by the Company and is likely to mislead Company shareholders. In particular, the assertions in the Statement—"We do not force or guide the management of the companies in which we have holdings toward any specific option" and "The terms of going private are determined by the board of directors. We do not participate in determining these terms, nor do we create conflicts of interest among shareholders"—are clearly contradicted by the fact that in the past, Dalton Parties have repeatedly requested that the Company consider a management buyout ("MBO") and have proposed appointing Dalton Parties-related individuals, including Dalton's Chief Investment Officer, Mr. Rosenwald, as outside directors of the Company and the fact that Dalton Parties have made a shareholder's proposal ("Shareholder Proposal"), dated April 14, 2026, for the election of Dalton Parties-related individuals as directors, as a proposal to put before the Ordinary General Meeting of Shareholders (for details of the Company's opinion regarding the Statement, see the Company's September 22, 2025 press release, "Notice Concerning the Company's Views Regarding the Statement Published by Dalton Investment Inc. on September 11, 2025"; for the shareholder proposal and the opinion of the board of directors regarding such proposal, see the Company's May 14, 2026 press release, "Notice Concerning Opinion of the Company's Board of Directors on Proposal").

In addition, in Change Report No. 15, submitted on April 8, 2026, Dalton Parties wrote, "Depending on the circumstances, … in order to avoid potential conflicts of interest, a management system with greater transparency is required, and it is possible that important proposals, etc. will be made relating to … changes in officer composition, such as a proposal seeking the election of independent directors who would respect the opinions of minority shareholders, etc." However, there is no other mention of the possibility of a proposal relating to change of officer composition. If, as proposed in the Shareholder Proposal, Dalton Parties-related individuals are elected as Company directors, it is clear that a conflict-of-interest relationship will arise with the Company's general shareholders; notwithstanding this, the statement in the large-volume holding report, which suggests that no such conflict of interest would arise and that the opinions of minority shareholders would be respected, is likely to mislead the Company's general shareholders regarding the purpose of Dalton Parties in holding Company share certificates, etc., which at the present time can hardly be called clear.

Further, on April 22, 2026, the Company sent Dalton Parties a letter of inquiry regarding (1) their intentions regarding additional acquisition of, or disposal of, Company share certificates, etc.; (2) whether Dalton Parties believe that their continued possession of Company share certificates, etc. or an increase in their voting rights holding ratio would contribute to the enhancement of the Company's medium-to-long-term corporate value and the common interests of shareholders, as well as the specific managerial policy or corporate value enhancement policy that is the basis of such belief; and (3) the purpose, etc. behind Dalton Parties's acquisition of Company share certificates, etc. and the proposals they have made to the Company for implementation of an MBO and the dispatch of outside directors. In response to this, on April 28, the Company received from Dalton Parties (1) a response where they denied that they had at the present time any intention to acquire any additional or dispose of Company share certificates, etc., but at the same time refused to submit an undertaking that they would not acquire any additional Company shares; (2) a response to the effect that the holding of Company share certificates, etc. by Dalton Parties has no direct relation with the Company's medium-to-long-term corporate value or the common interests of shareholders, and that improvement of the Company's medium-to-long-term corporate value and looking after the common interests of shareholders were the role of the Company's management team; and (3) a response to the effect that the purpose of the proposals made to the Company in the past for implementation of an MBO and the dispatch of directors is explained in the Statement and the statement of December of last year ("December Statement"), which Dalton Parties publicly addressed to the board of directors of companies in which they have holdings ("April 28 Response"). In light of this April 28 Response, Dalton Parties intend to continue holding Company share certificates, etc. without having any specific strategies for enhancing the Company's corporate value, and given that Dalton Parties have refused to submit an undertaking not to acquire any additional Company shares, the possibility remains that in the future Dalton Parties will acquire additional Company share certificates, etc. Further, in light of the fact that the assertions that Dalton Parties made in the Statement as of September of last year have not changed as of now, and the specific purpose for holding Company share certificates etc. remains unclear, and that the December Statement suggests that Dalton Parties intend to propose MBOs to companies in which they have holdings, and the April 28 Response cites the December Statement, it is found that the situation remains unchanged, namely, that the concerns that Dalton Parties will propose an MBO or the like to the Company have not been dispelled.

In light of these circumstances, **there is a specific possibility that Dalton Parties will further buy up Company share certificates, etc. on and off the market and, as discussed in (2) below, are planning to promote an MBO by such means as dispatching directors to the Company; notwithstanding this, as of the current point in time, Dalton Parties have not clarified what their specific purpose is in possessing a large volume of Company share certificates, etc.**

(ii) Recent investments in and proposals to other companies by Dalton Parties

Recently, in the same manner as the requests and proposals to the Company set forth in (2) below, regarding other companies in which they have holdings, Dalton Parties have, in parallel with the buying up of shares, proposed an MBO and the election of Dalton Parties-related individuals as directors.

Specifically, Dalton Parties continuously bought up shares of ASKA Pharmaceutical Holdings Co., Ltd. (listed on the Prime Market of Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange"); securities code: 4886, "ASKA Pharmaceutical Holdings") and in parallel proposed taking the company private through an MBO; in response to the emergency response policies introduced by ASKA Pharmaceutical Holdings on July 1, 2025 ("ASKA Pharmaceutical Holdings Response Policies"), Dalton Parties submitted a statement of intent regarding its Large-scale Purchase, etc., indicating that Dalton Parties intended to buy up ASKA Pharmaceutical Holdings shares in an amount equivalent to up to approximately 30% of its total voting rights. Dalton Parties did not comply with ASKA Pharmaceutical Holdings' repeated requests for responses to an "Information List" based on the ASKA Pharmaceutical Holdings Response Policies, unilaterally issued the Statement, and although on September 30, 2025, it submitted a letter retracting its statement of intent regarding its Large-scale Purchase, etc., in that same letter Dalton Parties unilaterally criticized the background behind the introduction of the ASKA Pharmaceutical Holdings Response Policies and the particulars of such policies and on October 6, 2025, Dalton Parties published the same assertions on their website. Further, regarding the responses to the "Information List", Mr. Rosenwald made such statements as, "This could be done using generative AI", displaying a disregard for the importance of sharing information with general shareholders and for the consideration of their interests (see the interview with Mr. Rosenwald published in the September 30, 2025 issue of Nikkei Business). Moreover, thereafter, Aska Pharmaceutical Holdings was, at a meeting with the Dalton Group on February 19, 2026, and in a letter received from RSM, presented with (i) a proposal from the Dalton Group that Aska Pharmaceutical Holdings accept two outside directors from the Dalton Group and enter into a Standstill Agreement with Aska Pharmaceutical Holdings, and (ii) a statement that, if Aska Pharmaceutical Holdings did not accept such proposal, subject to the withdrawal of the ASKA Pharmaceutical Holdings Response Policies, the Dalton Group was ready to conduct a tender offer for the purpose of acquiring up to 45% of ASKA Pharmaceutical Holdings' shares, including shares which the Dalton Group already owns, and ASKA Pharmaceutical Holdings received a draft of the tender offer statement pertaining to such tender offer.

Further, Dalton Parties, which had intermittently bought up shares of Hogy Medical Co., Ltd. (listed on the Prime Market of Tokyo Stock Exchange; securities code: 3593, "Hogy Medical") to the point where as of May 23, 2025, their holding ratio of share certificates, etc. had reached 26.38%, made a proposal at the annual general meeting of shareholders for Hogy Medical held on June 20, 2025, for the election of three directors, for the reason that all managerial policy options, including going private, should be considered; of these three, only Mr. Rosenwald was approved (however, it is estimated that the proposal to elect Mr. Rosenwald was opposed by roughly 67.05% of general shareholders other than Dalton Parties and he thus failed to win the trust of a majority of general shareholders other than Dalton Parties) and then, just a half year later, on December 17, Hogy Medical announced its delisting, and Dalton Parties agreed to reinvest indirectly in Hogy Medical (rollover investment) following its delisting.

In addition to the foregoing cases, on January 5, 2026, Dalton Parties sent a letter to Ezaki Glico Co., Ltd.(listed on the Prime Market of Tokyo Stock Exchange; securities code: 2206, "Ezaki Glico"), in which they stated their intention to make shareholder proposals at Ezaki Glico's ordinary general meeting of shareholders and presented, as measures to resolve the structural issues the company is facing, large-scale share buyback over the next five years or a delisting through an MBO in collaboration with Dalton Parties. Then, on January 16, Dalton Parties submitted shareholder proposals for the election as director of two Dalton Parties-related individuals, including Mr. Rosenwald, and for the implementation of a large-scale share buyback over a one-year period equivalent to approximately 10% of Ezaki Glico's issued shares (excluding treasury shares) (both of these shareholder proposals were rejected).

(iii) Conclusion

As discussed above, **(i) without clarifying the specific purpose, etc. behind their holding a large volume of Company share certificates, etc., Dalton Parties have not denied the possibility of their further acquisition of Company share certificates, etc., and**

circumstances continue where the specific possibility that Dalton Parties will further buy up Company share certificates, etc. both on and off the market cannot be denied and (ii) in their Statement, Dalton Parties distort the facts regarding the background to and the reasons for the Company's introduction of the Response Policies and make unilateral, arbitrary assertions and in the April 28 Response continue to repeat the Statement and the December Statement; recently, targeting other companies in which they have holdings, in parallel with buying up of shares, Dalton Parties have proposed MBOs and the dispatch of Dalton Parties-related individuals as directors, all the while displaying a bad-faith attitude that has little regard for procedures specified in response policies or for importance of providing information to general shareholders and the interests thereof; in light of the foregoing, it is believed that Dalton Parties will continue to not perform the procedures specified in the Response Policies and have a concrete intention to implement a Large-scale Purchase, etc. with the purpose, as discussed in (2) below, of applying pressure on the Company so that it will choose an option that will realize profits for Dalton Parties, through an MBO or that like, and that it is specifically probable that going forward, Dalton Parties will carry out a Large-scale Purchase, etc. without complying with the procedures specified in the Response Policies.

(2) Damage to the Company's Medium-to-Long-Term Corporate Value and the Common Interests of Shareholders through the Large-scale Purchase, etc. by Dalton Parties

As discussed in **(1)** above, in the case where a Large-scale Purchaser does not comply with the procedures under the Response Policies and is about to make a Large-scale Purchase, etc., the Countermeasures are to be implemented, unless there is a special reason not to do so, without holding a Shareholders' Intent Confirmation Meeting. Since the Countermeasures are to be implemented in order to maximize the Company's medium-to-long-term corporate value and the common interests of shareholders (see **III1** in the Response Policy Press Release), "a case where there is a special reason not to do so" refers to a case where it is clear that the Large-scale Purchase, etc. that a Large-scale Purchaser is intending to make will not impede maximization of the Company's medium-to-long-term corporate value or the common interests of shareholders.

In light of the course of events and the circumstances set forth in (i) through (iii) below, the possibility cannot be denied that the Company's medium-to-long-term corporate value and the common interests of shareholders will be damaged if Dalton Parties carry out a Large-scale Purchase, etc. without following the procedures under the Response Policies going forward.

(i) MBOs and other proposals to pursue their own short-term profits for Dalton Parties

As discussed in the Response Policy Press Release, since filing a large-volume holding report regarding Company share certificates, etc. in October 2023, Dalton Parties have continued buying up Company share certificates, etc.; under these circumstances, since receiving a proposal from RSM, in a letter dated January 29, 2025, for taking the Company private through an MBO with RSM and its investor group as partners, **the Company has received repeated proposals for an MBO from Dalton Parties**.

In addition, in light of the fact that in the April 28 Response, the Dalton Parties continue to repeat the Statement and the December Statement, it is strongly suspected that the assertions of Dalton Parties in the Statement have not changed as of the present and there have been no changes to the intentions of Dalton Parties. Further, the December Statement suggests that Dalton Parties intend to propose MBOs going forward to companies in which they have holdings.

Moreover, companies in which the Dalton Parties have holdings, namely T&K TOKA

Co.,Ltd., TRANCOM Co., Ltd., and Hogy Medical have come to implement MBOs or going private transactions as a result of the Dalton Parties' buying up of a large number of shares, and, in each of these cases, applications by the Dalton Parties to tender offers and subsequent rollover investments have been carried out or are scheduled to be carried out, and there are cases suspected to show that the Dalton Parties have effectively forced the companies in which the Dalton Parties have holdings to implement MBOs or going private transactions accompanied by applications by the Dalton Parties to tender offers and subsequent rollover investments, as well as cases from which it is observed that, after Dalton Parties-related individuals assumed positions as directors of the companies in which the Dalton Parties have holdings, such companies were led, within a short period of time, toward MBOs or going private transactions accompanied by applications by the Dalton Parties to tender offers and subsequent rollover investments, and such cases are seen repeatedly.

Further, NAVF, in its 2024 annual report, itself admitted the possibility of forcefully compelling an MBO, stating, "We have stepped up our engagement with several of our largest holdings and continue to urge capital allocation improvements, **even to the extent of calling for MBOs or threatening tender offers for controlling minorities of outstanding shares**" (emphasis added).

In light of the foregoing circumstances, **it is believed that if Dalton Parties implement a Large-scale Purchase, etc. of Company shares, there is a strong possibility that one of the primary purposes will be to realize an MBO**. Moreover, since even before introduction of the Response Policies Dalton Parties have been proposing to the Company an MBO led by a private equity fund ("PE Fund"), but, under the Company's corporate value enhancement measures, it is expected that shareholder return measures, capital investments for addressing changes in the business environment over the medium-to-long term, M&A investments, and R&D investments will require funds on the scale of tens of billions of yen; generally, **when an MBO is carried out led by a PE Fund, the target company has to bear a large debt from LBO loans having a high interest payment burden. As a result, the need to perform principal and interest payment obligations may constrain the target company's ability to make agile and large-scale growth investments, and may further result in a weakening of its financial position. For these reasons, the Company believes that in order to carry out agile growth investments from a stable financing position and attain enhancement of corporate value, it is essential for the Company to maintain its status as a listed company, rather than a delisting through an MBO**. Furthermore, regarding the MBO that Dalton Parties are believed to be envisioning, namely, an MBO premised on a rollover investment (a scheme whereby Dalton Parties, when implementing the MBO, temporarily sell their Company shares, and after the purchaser has come to possess all Company shares, Dalton Parties reinvest in the Company), generally, in the case where a rollover investment is planned after a tender offer, for the rollover investor (in this case, Dalton Parties), it is preferable not to have a high tender offer price in such tender offer, so that the amount it will have to invest subsequently is kept down. For this reason, the problem arises of a conflict of interests between the rollover investor and general shareholders of the target company. **Accordingly, it cannot be denied that an MBO premised on a rollover investment is likely to harm the common interests of general shareholders of the Company**.

In addition, at the meeting held with the Company on May 20, 2025, against the background of their Company share certificates, etc. holding ratio, Dalton Parties **proposed appointing Mr. Rosenwald and other Dalton Parties-related individuals as outside directors, and in fact, as of April 14, 2026, have made the Shareholder Proposal to the Company, for the election of Dalton Parties-related individuals as directors, to be put before the Ordinary General Meeting of Shareholders**. Taking into account the Company share certificates, etc. holding ratio of Dalton Parties, the dialogue between Dalton Parties and the Company, and past investment cases of Dalton Parties, there are concerns that by proposing the dispatch of

Dalton Parties-related individuals as directors in parallel with above MBO proposal, **Dalton Parties are planning to accelerate consideration of an MBO for the purpose of the pursuit of their own short-term profits.**

(ii) Lack of specific strategies for enhancement of the Company's corporate value

As discussed in (1)(i) above, the specific purpose, etc. of Dalton Parties in possessing a large volume of Company share certificates, etc. is completely unclear, and as discussed in (2)(i) above, while Dalton Parties have repeatedly demanded the realization of options that would be to the benefit of Dalton Parties, such as consideration of an MBO with themselves as the investment entities and the appointment of Dalton Parties-related individuals as directors, they have, up to now, **not presented any specific strategies for enhancing the Company's corporate value**; further, the April 28 Response states that improvement of the Company's medium-to-long-term corporate value and looking after the common interests of shareholders are the jobs of the Company's management team and that the holding of Company share certificates, etc. by Dalton Parties has no direct relation with the Company's medium-to-long-term corporate value or the common interests of shareholders; in light of this, **it is believed that Dalton Parties do not in fact have any specific strategies for enhancing the Company's corporate value**. In addition, in the April 28 Response, it is repeated that the December Statement is the position of Dalton Parties; the December Statement includes proposals for the MBO or other delisting of companies in which they have holdings and proposals for the dispatch of Dalton Parties-related individuals as directors. The December Statement was not addressed to the Company but rather has general content directed generally to the companies in which Dalton Parties have holdings, and the April 28 Response continues to repeat the December Statement, including the MBO proposals and proposals for dispatching Dalton Parties-related individuals as directors that Dalton Parties have made in the past; in light of this, it is **difficult to believe that Dalton Parties are aiming for enhancement of corporate value and maximization of shareholder interests, taking into account the Company's particular circumstances**.

Moreover, it is clear that Dalton Parties have made proposals to portfolio companies of the Dalton Parties other than the Company which are similar to both the MBO proposal and the Shareholder Proposal. Taking these circumstances as well as the content of the Statement from Dalton Parties into account, it can be seen that Dalton Parties, with the sole purpose of accelerating consideration of an MBO for the purpose of seeking its own short-term profits, are taking a mechanical, one-size-fits-all approach to companies in which they have holdings, and **it is inconceivable that Dalton Parties are aiming to achieve the optimal method for enhancing the Company's intrinsic corporate value and shareholder value in light of the Company's individual and specific market environment and business activities**. Therefore, it is clear that Dalton Parties do not have a sufficient understanding of or interest in the business operations or managerial determinations of the Company, and it is possible that rather than for the purpose of enhancement of the Company's medium-to-long-term corporate value, **it is solely for the purpose of pursuit of their own short-term profits that Dalton Parties have bought up Company share certificates, etc. and have proposed an MBO and the dispatch of Dalton Parties-related individuals as directors**.

(iii) Conclusion

As discussed above in (i) and (ii), **if, going forward, Dalton Parties execute a Large-scale Purchase, etc. without complying with the procedures under the Response Policies, there is a strong possibility that Dalton Parties will induce or compel the Company to carry out an MBO, for the purpose of pursuit of their own short-term profit, and if an MBO is actually implemented, then it is expected that the Company will bear a large debt from LBO loans as a result of the MBO led by PE Funds, and for this reason it is expected that**

there will be a material adverse impact on the Company's corporate value. Moreover, there is the possibility that in the implementation of the MBO, Dalton Parties will demand the adoption of a scheme that includes a rollover investment by Dalton Parties or will plan to promote the MBO through the dispatch of Dalton Parties-related individuals as directors, thereby causing a structural and more serious conflict of interests between Dalton Parties and the Company's general shareholders. Therefore, in light of the fact that Dalton Parties are not sufficiently taking into account the specific circumstances of the Company, and that it is difficult to believe that Dalton Parties are aiming to achieve the optimal method for maximizing the Company's intrinsic corporate value and the common interests of shareholders, it cannot be denied that there is a risk that the maximization of the Company's medium-to-long-term corporate value and the common interests of shareholders will be harmed.

From the foregoing, **if Dalton Parties attempt to execute Large-scale Purchase, etc. without complying with the procedures under the Response Policies, the possibility cannot be denied that the maximization of the Company's medium-to-long-term corporate value and the common interests of shareholders will be harmed, and because it is not found that "there is a special reason not to do so", it will be necessary to implement the Countermeasures in accordance with the Response Policies in order to prevent harm to the maximization of the Company's medium-to-long-term corporate value and the common interests of shareholders.**

2 Concerns of Institutional Investor Shareholders

(1) Dialogue with Institutional Investor Shareholders

Even in normal times the Company actively engages in IR and SR activities; recently, following the announcement of second quarter earnings in November 2025, the Company held meetings with institutional investor shareholders.

In this process, the Company heard high praise from many institutional investor shareholders regarding the state of initiatives under its corporate value enhancement measures, and generally received the understanding of shareholders regarding the Company's position with the Response Policies. A summary of the dialogues follows.

(i) The Company's medium-to-long-term corporate value enhancement measures

As the Company steadily moves forward with the Medium-Term Management Plan and other corporate value enhancement measures, the Company, in dialogues with shareholders, has sincerely explained the particulars and the progress of the specific measures, and while some pointed out that there is room for improvement, for the most part the Company received the understanding of shareholders. Regarding the fact that Dalton Parties, as an alternative to this, has repeatedly requested consideration of an MBO in which they are included among the investment entities or appointing Dalton Parties-related individuals as directors, but make no specific proposal for enhancement of corporate value that takes into account the particulars of the Company's business, some institutional investors offered the opinion that from a medium-to-long-term perspective, "**it is impossible to determine what kind of impact acquisition of Company shares by Dalton Parties would have on the Company's corporate value**".

(ii) The MBO proposal by Dalton Parties

As discussed in 1(2) above, the Company has repeatedly received MBO proposals from Dalton Parties; some institutional investors gave the opinion that "**since the Company's corporate value has steadily increased as a listed company, it is difficult to understand why the**

MBO asserted by Dalton Parties is necessary; and regarding the MBO scheme premised on rollover investment , some institutional investors gave the opinion that "**there is a structural conflict of interests between Dalton Parties and minority shareholders**" and "**this will possibly end up not being a deal that maximizes the interests of minority shareholders**".

(iii) The proposal by Dalton Parties for dispatch of directors

As discussed in 1(2) above, the Company has received a proposal for the dispatch of Dalton Parties-related individuals as directors; some institutional investors gave the opinion that, if Dalton Parties-related individuals become director candidates, "**we are opposed, because they are not independent from Dalton Parties, who are major shareholders, and there are concerns about a conflict of interests with general shareholders**". In addition, it is possible that Dalton Parties are planning to have Dalton Parties-related individuals be appointed as directors in order to accelerate consideration of an MBO with the purpose of pursuit of their own profits; some institutional investors gave the opinion that, "**despite having no interest in management, they are planning to dispatch directors for the purpose of inducing an unnecessary MBO, for the purpose of the pursuit of their own profits; this sort of method will not gain the support of shareholders**". In addition, regarding the examples of other company where directors recommended by Dalton Parties were elected, some voiced the opinion that "if Dalton Parties-related individuals proposed by Dalton Parties become directors, **there are questions regarding how the sufficient measures are ensured to be taken to protect against insider trading and conflict of interests with general shareholders**".

(2) The Company's Opinion in Light of the Foregoing Dialogues

As discussed in (1) above, in view of the many voices of concern and opposition from institutional investor shareholders regarding the buying up of Company share certificates, etc. by Dalton Parties, the MBO proposal, and the proposal to dispatch Dalton Parties-related individuals as directors, the Company is concerned about the situation where multiple Company shareholders are unable to make an appropriate judgment, from the perspective of enhancement of corporate value, of the buying up of Company share certificates, etc. by Dalton Parties because Dalton Parties have not made appropriate disclosure of information in relation to any specific corporate value enhancement measures or their purpose in possessing Company share certificates, etc. Further, as discussed in 1 above, it is probable that going forward, Dalton Parties will make a Large-scale Purchase, etc. without complying with the procedures under the Response Policies, and in such case, **there will not be sufficient information or time to sufficiently judge the impact on the Company's corporate value or the common interests of shareholders, and it is possible that the Company's general shareholders will be exposed to coercion (being forced to sell Company shares against their will) and the maximization of their interests will be impeded.**

3 Inquiries to, and Advice from, the Independent Committee

As discussed in 1 above, the Company's board of directors has repeatedly evaluated and considered the impact of a Large-scale Purchase, etc. by Dalton Parties on the Company's medium-to-long-term corporate value and the common interests of Company shareholders, as well as the advisability of implementing the Countermeasures in the event that Dalton Parties commence a Large-scale Purchase, etc.

Under such circumstances, the Company's board of directors requested, for the purpose of preventing arbitrary decision-making by the board of directors and further enhancing the fairness and objectivity of the operation of the Response Policies, the Independent Committee consisting of five independent outside directors of the Company independent of the management team that executes the Company's business (for the details of the committee, please refer to the Company's September 3, 2025 press release, "Notice Concerning the Establishment of Independent Committee and Appointment of Independent Committee Members") to consider the impact of Large-scale Purchase, etc. by Dalton Parties on the Company's medium-to-long-term corporate value and the common interests of Company shareholders, and the advisability of implementing the Countermeasures.

On May 13, 2026, the Company's board of directors received from the Independent Committee an advisory report dated the same date and supported by all members of the Independent Committee, stating that on the assumption that the Proposal will be approved, **in the event that going forward, Dalton Parties are found to have commenced a Large-scale Purchase, etc. without complying with the procedures set forth in the Response Policies, it would be appropriate for the Company's board of directors, giving full respect for the advice of the Independent Committee as of that point in time, to implement the Countermeasures**.

4 Putting the Proposal on the Agenda

As discussed in **1(1)** above, it is specifically thought to be probable that following Ordinary General Meeting of Shareholders, Dalton Parties will implement a Large-scale Purchase, etc. without complying with the procedures set forth in the Response Policies; as discussed in **1(2)** above, if Dalton Parties implement a Large-scale Purchase, etc., it will be judged that the possibility cannot be denied that the Company's medium-to-long-term corporate value and the common interests of shareholder will be impaired; as discussed in **2** above, in dialogues with multiple institutional investor shareholders, specific concerns were expressed in relation to Large-scale Purchase, etc. by Dalton Parties; and as discussed in **3** above, the advisory report was received from the Independent Committee; in light of the foregoing and from the perspective of respecting the intent of shareholders, the Company would like to ask shareholders for advance approval of the implementation of the Countermeasures by the Company's board of directors (with full respect for advice from the Independent Committee as of the relevant time) in the event that Dalton Parties are found to have commenced a Large-scale Purchase, etc. without complying with the procedures under the Response Policies going forward.

It should be noted that the number of shares underlying one share option allotted pursuant to the Countermeasures shall be one share. For other details of the Countermeasures, please refer to III3 of the Response Policy Press Release. If the Proposal is approved, the Response Policies will continue to apply only to the extent necessary for the implementation of the countermeasures as approved by the shareholders (however, at the longest, this shall be until the conclusion of the first meeting of the Company's board of directors held after the Company's ordinary general meeting of shareholders to be convened in 2027). If the Proposal is rejected, the Countermeasures will not be implemented, and in accordance with the initial policy set forth in the Response Policies, the Response Policies will be repealed as of the conclusion of the first board of directors meeting held after the Ordinary General Meeting of Shareholders.

End