Securities Code: 2674
June 8, 2026
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To Shareholders with Voting Rights:

Taro Yamamoto
Representative Director and President
HARD OFF CORPORATION Co., Ltd.
3-1-13 Shineicho, Shibata-shi, Niigata

NOTICE OF THE 54th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby notify you of the 54th Annual General Meeting of Shareholders of HARD OFF CORPORATION Co., Ltd. (the "Company"), which will be held for the purposes as described below.

On the occasion of this annual general meeting, we have taken measures to provide information (materials provided in electronic format) contained in the reference documents for the General Meeting of Shareholders electronically. They have been posted on the Company website. Please reference them by accessing the website below (General Meeting of Shareholders Materials).

Company website (General Meeting of Shareholders Materials)
https://www.hardoff.co.jp/ir/library/meeting

In addition to the above website, the electronically provided information is also posted on the website of the Tokyo Stock Exchange (TSE). Please access the TSE website below, enter "Hard Off" or the Company's securities code, "2674," in the stock name (company name) or securities code field, click Search, then select "Basic Information" and "Documents for Public Inspection/PR Information" in that order to check the "Shareholder Meeting Notices/Shareholder Meeting Materials" under "Documents for Public Inspection."

Tokyo Stock Exchange website (TSE Listed Company Information Service)
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show

If you cannot attend on the day, you can exercise your voting rights via the Internet or in writing. We ask that you review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 PM on June 23, 2026 (Tuesday).

[If exercising voting rights via the Internet]

Please refer to the "Guide to Exercising Voting Rights via the Internet" on page 4 when exercising your voting rights via the Internet.

[If exercising voting rights by mail]

Please indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form and return it so that it arrives by the voting deadline noted above.

1. Date and Time: Wednesday, June 24, 2026 at 2:00 p.m. Japan time
2. Place: 570 banchi, Nagata, Chuo-ku, Niigata-shi, Niigata
   HARD OFF ECO STADIUM NIIGATA Conference Room
3. Meeting Agenda:
   Matters to be reported:
   １. 54th fiscal year (April 1, 2025 to March 31, 2026)
   The Business Report, Consolidated Financial Statements and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
   ２. 54th fiscal year (April 1, 2025 to March 31, 2026)
   Financial Statements Report
   Proposals to be resolved:
   Proposal 1: Distribution of Surplus
   Proposal 2: Renewal of the policy for responding to large-scale purchases of company shares (takeover response policy)
4. Resolved Items Regarding Convocation (Guide to Exercising Voting Rights):
   (1) If exercising voting rights in writing (by mail), when there is no indication of approval or disapproval for a proposal on the Voting Rights Exercise Form, it shall be treated as an indication of approval.
   (2) If voting rights are exercised multiple times via the Internet, the latest exercise of voting rights shall be treated as the valid submission.
   (3) If exercising voting rights both via the Internet and in writing (by mail), regardless of the date and time of arrival, the exercise of voting rights via the Internet shall be treated as the valid submission.
   (4) If exercising voting rights via a proxy, you can have another shareholder with voting rights attend the shareholder meeting as a proxy. However, please note that documentation proving this person’s proxy rights will need to be submitted.

◎ On the day of the meeting, we request that you submit your Voting Rights Exercise Form at the reception desk.

◎ Following the conclusion of the General Meeting of Shareholders, we will conduct a social gathering for approximately 45 minutes. After this, we will host a stadium tour. Please feel free to participate.

◎ In the event of any amendments to electronically provided documents, we shall promptly disclose the pre-change and post-change details on the Company website (https://www.hardoff.co.jp/ir/library/meeting.html) and the Tokyo Stock Exchange (TSE) website.

◎ Among the electronically provided documents, the following are not included in the documents sent to shareholders who have requested that such documents be provided in writing, in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Company.

The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements mentioned in such documents are part of the documents audited by the accounting auditors in preparing the Accounting Audit Report and corporate auditors in preparing the Audit Report.

(1) "System to Ensure the Appropriateness of Operations", "Overview of the Operational Status of the System to Ensure the Appropriateness of Operations" and "Basic Policy Concerning Control of the Company" in the Business Report

(2) "Consolidated Statement of Changes in Shareholders' Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements

(3) "Balance Sheet," "Profit and Loss Statement," "Statement of Changes in Shareholders' Equity," and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

(4) "Accounting Audit Report on the Consolidated Financial Statements" and "Audit Report on the Non-consolidated Financial Statements" in the Audit Report At this General Meeting of Shareholders, regardless of whether or not a request for document delivery in writing is made, the electronically provided documents, excluding the above items, will be uniformly sent to all shareholders.

◎ If future circumstances require us to inform shareholders about any matters concerning the operation of the General Meeting of Shareholders, we shall announce this on the Company website (https://www.hardoff.co.jp/ir).

Guide to Exercising Voting Rights via the Internet

1. By "Smart Exercise"

(1) Use your smartphone, etc. to read the QR code * 1 on the right side of the Voting Rights Exercise Form * 2.

After accessing the "Smart Exercise" website designated by our company, please enter your approval or disapproval according to the instructions on the screen (it is not necessary to enter the voting code (ID) and password).

(2) You can exercise your voting rights only once via "Smart Exercise.". If you wish to revise your approval or disapproval after exercising your voting rights, you will need to use the method described in 2.

2. Voting Rights Exercise Code (ID) and Password Entry

(1) Access the "Voting Rights Exercise Website" designated by our company. Use the voting code (ID) and password shown on the back of the right side of the form. Log in and follow the instructions on the screen to enter your approval or disapproval. The password must be changed the first time you log in.

Voting Rights Exercise Website
https://soukai.mizuho-tb.co.jp/

(2)A new voting code (ID) and password (including those changed by the shareholder) will be issued each time a general meeting of shareholders is held.

(3) The password is a means of confirming that the person who exercises the password is the shareholder, so please handle it carefully. Our company (shareholder register administrator) will not ask you for your password.

(4) The password cannot be used if it is entered incorrectly more than a certain number of times consecutively. In this case, follow the instructions on the screen.

3. Note

(1) The deadline for exercising voting rights is 5:00 PM on Tuesday, June 23, 2026. Voting rights are valid only if they arrive at our company (Administrator of the Register of Shareholders) within the deadline. Please exercise your voting rights as soon as possible.

(2) All costs related to Internet access and use are the responsibility of the shareholder.

(3) Each method of exercising voting rights via the Internet has been tested using a standard Internet connection device. However, depending on the device you are using and its conditions, you may not be able to use it.

4. Contact Information

If you have any questions, please contact the Shareholder Register Administrator,
Mizuho Trust & Banking Stock Transfer Agency Department (Shareholder Register Administrator).

[For inquiries regarding the "Smart Voting" and "Voting Website"]

Toll-free:
0120-768-524 (9: 00~21:00 excluding year-end and New Year holidays)

Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

※1. QR Code is a registered trademark of DENSO WAVE, Inc.
※2. Applications (or functions) that can read QR Codes must be installed.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

The Company positions the return of profits to shareholders one of its significant management policies. By improving earnings per share, return on equity (ROE) and cash flow and working to strengthen its management base and financial position through enhancing active business development to increase corporate value, the Company will implement a policy of maintaining a stable dividend based on business performance with a DOE (Dividend on equity ratio) of approximately 6%.

With regard to the year-end dividend and distribution of surplus for the fiscal year under review, the Company proposes as follows by comprehensively taking into account such factors as the business results for the fiscal year under review and internal reserves.

Items related to the fiscal year-end dividend

⑴ Type of dividend property
Cash

⑵ Items related to the allocation of dividend property to shareholders and its total amount
85 yen per common share of the Company 1,182,615,200 yen

⑶ Date the distribution of surplus comes into effect
June 25, 2026

Proposal 2: Renewal of the policy for responding to large-scale purchases of company shares (takeover response policy)

The Company initially introduced the "Measures Against Large-scale Purchases of Company Shares (Takeover Defense Measures)" at the 36th Annual General Meeting of Shareholders held on June 20, 2008, as an initiative to prevent the Company's financial and business policies from being controlled by inappropriate individuals, in light of the "basic policies related to the way a person is to control the decisions on the financial and business policies of the stock company" as defined in the main text of Article 118, Item 3 of the Ordinance for Enforcement of the Companies Act (hereinafter referred to as the "Basic Policy on Company Control"). The measures were most recently updated with some changes at the 51st Annual General Meeting of Shareholders held on June 22, 2023, (the takeover Response Policy as they exist after the most recent update shall hereinafter be referred to as the "Current Plan"), and their validity expires at the end of the 54th Annual General Meeting of Shareholders (hereinafter referred to as "this meeting"). Even after the update to the Current Plan, we have continued to consider it to be one of the initiatives to ensure and improve corporate value and the common interests of the shareholders, taking into account changes in social and economic conditions, trends surrounding takeover response policy, and the progress of various discussions seen in the introduction of the Corporate Governance Code. At the Board of Directors' meeting held on May 25, 2026, we decided to renew it, conditional upon approval by the shareholders at this meeting. In renewing the plan, we have made some revisions and adjustments to certain words and phrases, but there are no changes to the basic scheme.

Therefore, we are asking for your approval to renew the plan.

1. Objective of the Plan (Renewal)

The plan shall be renewed as an initiative to prevent the Company's financial and business policies from being controlled by inappropriate individuals in light of the Basic Policy on Company Control.

Even if there are large-scale purchases of the Company's shares, we do not believe that those who make such purchases are inappropriate individuals controlling the decision-making of the Company's financial and business policies, provided that they contribute to ensuring and improving corporate value and the common interests of the shareholders. Additionally, we believe that the decision whether or not to accept a takeover proposal involving a transfer of control of a corporation should ultimately be made based on the wishes of the shareholders.

However, there are not a few large-scale share purchases that do not contribute to corporate value and the common interests of shareholders, such as those that pose a clear threat to corporate

value and the common interests of shareholders, or that effectively force shareholders to sell their shares, or that do not provide the necessary and sufficient time and information for the Board of Directors and shareholders to consider the details of large-scale share purchases, or to propose alternatives, or whose purchase conditions are insufficient or inappropriate in light of corporate value, or that intend to destroy relationships with stakeholders that are indispensable for maintaining and increasing corporate value.

In particular, we believe that the strength of our corporate value lies in our business know-how for achieving high management efficiency with low cost and high return through our unique business model. If those who make large-scale purchases of our shares do not fully understand this, we believe that corporate value and the common interests of the shareholders will be damaged.

The ratio of shares of the Company held by Company officers and their related parties is 37.7%, of which 37.1% is held by the Company Representative Director and asset management companies over which he has control. However, as we are a publicly traded company, shares of the Company can be transferred based on the free will of the shareholders through transactions and the like. Therefore, depending on the circumstances of Company officers and related parties, shares of the Company may be transferred or otherwise disposed of, or inherited in the future. As a result, we cannot deny the possibility that the shareholding ratio of these parties may decrease or become more diversified.

Moreover, a significant portion of Company shares are held by individual shareholders, institutional investors such as trust banks, domestic corporations, overseas corporations, and others, which means they are widely distributed. Furthermore, we will continue to actively open multiple stores in the future, and as we accelerate store openings and expand our business, raising funds for facilities will be extremely important. When we need to raise funds for facilities, the method for procuring said funds is not limited to borrowing from financial institutions. Raising funds from the capital market is a viable option, and in that case, as the number of circulating shares increases, the shareholding ratio of Company officers and related parties will decrease, and the composition of the shareholders could significantly change.

In light of these circumstances, the liquidity of the shares we issue is likely to increase significantly, and going forward, we cannot deny the possibility of large-scale purchase activities against the Company's shares that could damage the Company's value and, in turn, the common interests of the shareholders.

Therefore, the Board of Directors believes that if large-scale purchases are carried out on the Company's shares, it is in line with the Company's value and the common interests of the shareholders to ensure necessary information and time for the shareholders to make appropriate

decisions, and to ensure that negotiations with the purchasers are conducted according to certain reasonable rules. We have thus decided to establish certain rules for providing information and ensuring discussion time during large-scale purchases (hereinafter referred to as “Large-scale Purchase Rules”). In consideration of the Basic Policy on Company Control, we have decided to renew this plan as a response policy inappropriate parties carrying out large-scale purchase activities, including countermeasures against such purchases.

2. Large-Scale Purchases Subject to the Plan

"Large-Scale Purchase" subject to the Plan means:

(i) an act of purchasing share certificates, etc. (Note 3) of the Company with the aim of bringing the voting rights ratio (Note 2) of a specific group of shareholders (Note 1) to 20% or more;

(ii) an act of purchasing share certificates, etc. of the Company that results in the voting rights ratio of a specific group of shareholders reaching 20% or more; or

(iii) regardless of whether any of the acts specified in (i) or (ii) above are executed, any agreement or other act entered into between a specific group of shareholders of the Company and other shareholder(s) of the Company (including cases where there are multiple shareholders; the same shall apply hereinafter in this item (iii)) which results in such other shareholder(s) becoming a joint holder of such specific group of shareholders, or any act (Note 5) that establishes a relationship (Note 4) between such specific group of shareholders and such other shareholder(s) where one substantially controls the other or where they act jointly or in concert (provided, however, that this shall be limited to cases where the aggregate voting rights ratio of such specific group of shareholders and such other shareholder(s) with respect to the share certificates, etc. issued by the Company becomes 20% or more).(In all cases, this applies regardless of the specific method of purchase, such as market transactions, public tender offers, etc., except for those previously agreed upon by the Company’s Board of Directors.)

Furthermore, a "Large-Scale Purchaser" means a person who carries out, or intends to carry out, a Large-Scale Purchase, either individually or jointly/in concert with other persons.

Note 1: "Specific shareholder group" means:

(i) a holder (meaning a holder as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including persons included in holders pursuant to

Paragraph 3 of said Article; the same shall apply hereinafter) of share certificates, etc. (meaning share certificates, etc. as defined in Article 27-23, Paragraph 1 of said Act) of the Company, and joint holders thereof (meaning joint holders as defined in Article 27-23, Paragraph 5 of said Act, including persons deemed to be joint holders pursuant to Paragraph 6 of said Article; the same shall apply hereinafter);

(ii) a person who conducts a purchase, etc. (meaning a purchase, etc. as defined in Article 27-2, Paragraph 1 of said Act, including purchases, etc. conducted in a financial instruments exchange market; the same shall apply hereinafter) of share certificates, etc. (meaning share certificates, etc. as defined in Article 27-2, Paragraph 1 of said Act) of the Company, and special related parties thereof (meaning special related parties as defined in Article 27-2, Paragraph 7 of said Act; the same shall apply hereinafter);

(iii) a related party of the persons mentioned in (i) or (ii) above (meaning a group consisting of investment banks, securities firms, or other financial institutions that have entered into financial advisory agreements with such persons, other persons who share substantial common interests with such persons, tender offer agents, attorneys-at-law, certified public accountants, tax accountants, or other advisors, and any persons reasonably recognized by the Company's Board of Directors as being substantially controlled by such persons or acting jointly or in concert with them); or

(iv) a person who has acquired share certificates, etc. of the Company from a person falling under any of (i) through (iii) above through an off-market bilateral transaction or an off-auction broker-to-broker transaction (ToSTNeT-1) on the Tokyo Stock Exchange. The same shall apply hereinafter.

Note 2: "Voting rights ratio" means:

(i) in the case where the specific shareholder group falls under item (i) of Note 1, the share certificate-holding ratio (meaning the share certificate-holding ratio as defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act; in this case, the number of share certificates, etc. held (meaning the number of share certificates, etc. held as defined in said Paragraph; the same shall apply hereinafter) by joint holders of such holder shall be added); or

(ii) in the case where the specific shareholder group falls under item (ii) of Note 1, the aggregate of the share certificate-owning ratio (meaning the share certificate-owning ratio as defined in Article 27-2, Paragraph 8 of said Act) of such Large-Scale Purchaser and its special related

parties.

In calculating such share certificate-holding ratio, (a) special related parties, (b) investment banks, securities firms, or other financial institutions that have entered into financial advisory agreements with such specific shareholder group, as well as tender offer agents, lead managing underwriters, attorneys-at-law, certified public accountants, tax accountants, or other advisors of such specific shareholder group, and (c) persons who have acquired share certificates, etc. of the Company from a person falling under any of (a) or (b) above through an off-market bilateral transaction or an off-auction broker-to-broker transaction (ToSTNeT-1) on the Tokyo Stock Exchange, shall be deemed to be joint holders of such specific shareholder group under the Plan, unless the Independent Committee determines that such inclusion poses no issue from the perspective of maximizing the Company's corporate value or the common interests of its shareholders.

Furthermore, in calculating such share certificate-owning ratio, joint holders (including those deemed to be joint holders under the Plan) shall be deemed to be special related parties of such specific shareholder group under the Plan.

In calculating each voting rights ratio, the total number of voting rights (meaning that defined in Article 27-2, Paragraph 8 of said Act) and the total number of issued shares (meaning that defined in Article 27-23, Paragraph 4 of said Act) may be determined by reference to the most recently filed document among the Securities Report, Semi-Annual Report, Share Buyback Report, Extraordinary Report (if applicable), Financial Results, and Quarterly Financial Results. The same shall apply hereinafter.

Note 3: Shares and other similar financial instruments refer to those that fall under either of the definitions specified in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act or Article 27-2, Paragraph 1 of the same Act. The same shall apply hereinafter.

Note 4: Whether a relationship has been established "between such specific shareholder group and such other shareholder(s) where one substantially controls the other or where they act jointly or in concert" shall be determined based on the Criteria for Recognizing Joint or Concerted Acts, etc. (Appendix 1; provided, however, that the Independent Committee may amend such criteria within a reasonable scope in light of amendments to laws and regulations, trends in judicial precedents, or other relevant factors).

Note 5: Whether any of the acts specified in item (iii) of the main text have been executed shall be determined reasonably by the Company's Board of Directors (in making such determination, the Board of Directors shall place the utmost respect on the recommendations

of the Independent Committee). In addition, the Company's Board of Directors may request the Company's shareholders to provide necessary information to the extent required to determine whether the requirements specified in item (iii) of the main text are satisfied.

3. Establishment of the Independent Committee

In order to operate this plan properly and ensure the rationality and fairness of the Company's decisions, we shall establish an Independent Committee based on the Independent Committee Regulations (refer to Appendix 2 for an overview) just as with the Current Plan. The committee shall consist of three or more members, and to enable fair and impartial judgment, members shall be selected from among outside directors, outside auditors, or outside experts (Note 6), who are independent from the execution of the Company's operations. (Refer to Appendix 3 for candidates for the Independent Committee at the time of renewal.)

Prior to invoking the response measures, the Company's Board of Directors shall consult with the Independent Committee regarding the propriety of invoking the response measures and other matters necessary for taking actions in accordance with the Plan. The Independent Committee shall, from the perspective of enhancing the Company's corporate value and, in turn, the common interests of its shareholders, carefully evaluate and consider the Large-Scale Purchase, and then make a recommendation to the Company's Board of Directors as to whether or not the response measures are in a state where they can be invoked.

The Company's Board of Directors shall make a decision regarding the invocation of the response measures (including the decision on whether or not to hold the Shareholders' Will Confirmation Meeting described in Section 5 below) while placing the utmost respect on the recommendations of the Independent Committee. An overview of the details of the Independent Committee's recommendation shall be disclosed in a timely manner.

To ensure that the judgments of the Independent Committee contribute to the Company's corporate value and hence the common interests of shareholders, the Independent Committee will be able to seek advice from independent third-party experts (financial advisors, certified public accountants, lawyers, consultants, and other experts) as necessary at the Company's expense.

Note6: Outside experts are defined asindividuals with a proven track record as company executives, persons well-versed in investment banking, former government officials, lawyers, certified public accountants, academics, or others with similar qualifications.

4. Overview of Large-scale Purchase Rules

The large-scale purchase rules set by the Company involve large-scale purchasers providing necessary and sufficient information to the Board of Directors in advance, then initiating large-scale purchase activities after a certain evaluation period has passed. The overview is as follows:

① Submission of a Letter of Intent by the large-scale purchaser to the Company

When a large-scale purchaser intends to engage in large-scale purchase activities, they must first submit a Letter of Intent in Japanese (hereinafter referred to as the "Letter of Intent") to the Board of Directors, which includes a legally binding pledge to follow the large-scale purchase rules and the following details, prior to large-scale purchase activities or a proposal for large-scale purchase activities. When the Company receives a Letter of Intent from a large-scale purchaser, this shall be promptly announced, along with the details thereof if necessary.

(a) Name and address or location of the large-scale purchaser
(b) Law governing the establishment of the large-scale purchaser
(c) The title and name of the representative of the Large-Scale Purchaser
(d) Domestic contact details of the Large-Scale Purchaser
(e) The corporate purposes and description of businesses of the Large-Scale Purchaser
(f) An overview of the direct and indirect major shareholders or large-scale investors (the top 10 in terms of shareholding ratio or investment ratio) and the beneficial shareholders (investors) of the Large-Scale Purchaser
(g) The number of share certificates, etc. of the Company currently held by the Large-Scale Purchaser, and the trading status of the share certificates, etc. of the Company by the Large-Scale Purchaser during the 60 days prior to the submission of the Statement of Intent
(h) An overview of the Large-Scale Purchase proposed by the Large-Scale Purchaser (including the class and number of share certificates, etc. of the Company scheduled to be acquired through the Large-Scale Purchaser's Large-Scale Purchase, and the purpose of the Large-Scale Purchase (if the purpose is the acquisition of control or participation in management, pure investment or strategic investment, transfer of the Company's share certificates, etc. to a third party after the Large-Scale Purchase, or making material proposals, etc. (Note 7), or any other purposes, a statement to that effect and the details thereof; provided, however, that if there are multiple purposes, all of them must be described).)
(i) A covenant to the effect that the Large-Scale Purchaser will comply with the Large-Scale Purchase Rules determined under the Plan

Note 7: "Material proposals, etc." means the material proposals, etc. as defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act; Article 14-8-2, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act; and Article 16 of the Cabinet Office Order on Disclosure of Status of Large Shareholdings of Share Certificates, etc. The same shall apply hereinafter.

② Large-scale purchaser's provision of necessary information to the Company

The Board of Directors of the Company shall, within 10 business days (Note 8) from the day following the receipt of the Letter of Intent which contains all items from (a) to (i) as

mentioned in ① above, provide the large-scale purchaser with a written document (hereinafter referred to as the "List of Necessary Information") describing the items to be submitted to the Board of Directors as information related to the large-scale purchase (hereinafter referred to as the "Necessary Information"). The large-scale purchaser is required to submit to the Board of Directors a document written in Japanese containing the Necessary Information, in accordance with the Necessary Information List.

The general items for the Necessary Information include, but are not limited to, the following. The specific content may vary depending on the attributes of the large-scale purchaser and the purpose and content of the large-scale purchase; however, in any case, it is limited to the scope necessary and sufficient for the Board of Directors to form its opinions and for the judgment of the shareholders.

(a) Details of the Large-Scale Purchaser and the specific shareholder group to which it belongs (including joint holders, special related parties, and partners (in the case of a fund) or other members; the same shall apply hereinafter) (including information regarding their name, business description, history or corporate background, capital structure, financial condition, names and career histories of officers, the existence of any violations of laws and regulations within the past 10 years (and an overview thereof, if any exists), and experience in businesses of the same type as the businesses of the Company and the Company's group companies).

(b) The specific details of the internal control system (including the group internal control system) of the Large-Scale Purchaser and the specific shareholder group to which it belongs, and the existence of effectiveness or the status of such system

(c) The purpose, method, and details of the Large-Scale Purchase (including the existence of any intention to participate in management; the amount and class of consideration for the Large-Scale Purchase; the timing of the Large-Scale Purchase; the structure of related transactions; the number of share certificates, etc. scheduled to be purchased and the voting rights ratio after the Large-Scale Purchase; the legality of the method of the Large-Scale Purchase; the feasibility of the Large-Scale Purchase (if the Large-Scale Purchase is subject to certain conditions, the details of such conditions); and if there is a possibility that the Company's share certificates, etc. will be delisted after the Large-Scale Purchase, a statement to that effect and the reasons therefor). Regarding the legality of the method of the Large-Scale Purchase, a written opinion prepared by a qualified attorney-at-law must be submitted at the same time.

(d) The basis for calculation of the purchase consideration for the Company's share certificates, etc. in the Large-Scale Purchase (including the facts serving as premises for

the calculation, the calculation method, the numerical information used in the calculation, and the details of synergies and dyssynergies expected to arise from the series of transactions related to the Large-Scale Purchase; and if the opinion of a third party was obtained during the calculation, the name of such third party, an overview of the opinion, and the background leading to the determination of the amount based on such opinion).

(e) The financing backing for the Large-Scale Purchase (including the specific names of the providers of funds (including substantial providers of funds, regardless of whether direct or indirect)), the method of procurement, the existence and details of any conditions for the funding to be executed, the existence and details of any collateral or covenants after the provision of funds, and the specific details of related transactions).

(f) The existence of any communication with a third party in connection with the Large-Scale Purchase (including communication regarding making material proposals, etc. to the Company; the same shall apply hereinafter), and if there is any such communication, the specific details thereof and an overview of such third party.

(g) The status of holding the Company's share certificates, etc. by the Large-Scale Purchaser and the specific shareholder group to which it belongs; the status of holding and contract status of derivatives and other financial derivative products whose underlying assets are the Company's share certificates, etc. or assets related to the business of the Company or the Company's group; and the status of stock lending, stock borrowing, short selling, etc. of the Company's share certificates, etc.

(h) If there are any loan agreements, pledge contracts, repurchase agreements, options to purchase or sell, or other material contracts or arrangements (hereinafter referred to as "Pledge Contracts, etc.") regarding the Company's share certificates, etc. already held by the Large-Scale Purchaser and the specific shareholder group to which it belongs, the specific details of such Pledge Contracts, etc., including the class of the contract, the counterparty to the contract, and the quantity, etc. of the share certificates, etc. subject to the contract.

(i) If there is a plan to conclude any Pledge Contracts, etc. or enter into any other agreements with a third party regarding the Company's share certificates, etc. scheduled to be acquired through the Large-Scale Purchase by the Large-Scale Purchaser, the specific details of such planned agreements, including the class of the planned agreement, the counterparty to the agreement, and the quantity, etc. of the share certificates, etc. subject to the agreement.

(j) Candidates for executives who are expected to participate in the management of the

Company and Group companies after the large-scale purchase (including information about their experience in businesses similar to that of the Company and Group companies), management policy, business plan, financial plan, capital policy, dividend policy, asset utilization measures, etc.

(k) Whether there are any planned changes, and the details of such changes, regarding the relationship with stakeholders such as trading partners, customers, and employees of the Company and Group companies after the large-scale purchaser has participated in the management of the Company and Group companies.

(l) Specific measures to avoid conflicts of interest with other shareholders of the Company.

(m) Regulatory matters based on domestic and foreign laws and regulations that may apply to the Large-Scale Purchase, and the feasibility of obtaining approvals, licenses, etc. required from domestic or foreign governments or third parties under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Foreign Exchange and Foreign Trade Act, or other laws and regulations (regarding these matters, a written opinion prepared by a qualified attorney-at-law must be submitted at the same time).

(n) The feasibility of maintaining licenses and permits and the feasibility of complying with regulations under domestic and foreign laws and regulations necessary for the management of the Company's group after the Large-Scale Purchase.

(o) The existence of any relationship (regardless of whether direct or indirect) with anti-social forces or terror-related organizations, and if any relationship exists, the details thereof,

(p) Other information that the Company's Board of Directors or the Independent Committee reasonably determines to be necessary.

From the standpoint of the swift application of the Large-Scale Purchase rules, the Board of Directors may, as necessary, set a deadline for the large-scale purchaser to provide the information. However, the deadline can be extended if a request for extension is made by the large-scale purchaser on a reasonable basis. If, as a result of a careful examination by the Company's Board of Directors of the Required Information submitted based on the above, the Board of Directors reasonably determines that such Required Information is not necessary and sufficient to evaluate and consider the Large-Scale Purchase, the Board may request the large-scale purchaser to provide additional information within a reasonable response deadline (capped at 60 days from the initial receipt of the Necessary Information), set by the Board (In making such determination, the Board of Directors shall place the utmost respect on the recommendations

of the Independent Committee).

Furthermore, if the Company's Board of Directors determines that the Required Information necessary and sufficient to evaluate and consider the Large-Scale Purchase has been submitted by the Large-Scale Purchaser, the Board of Directors shall notify the Large-Scale Purchaser in writing that it has received the Required Information (hereinafter referred to as the "Notice of Completion of Information Provision") and make a public announcement to that effect.

If the large-scale purchaser does not provide part of the requested information despite the request for additional provision of the necessary information by the Board of Directors, but provides a reasonable explanation for not providing said information, it is possible for the Board of Directors to conclude the negotiations, etc. and issue the Notice of Completion of Information Provision, related to the provision of information with the large-scale purchaser even without having all the necessary information requested by the Board. This fact shall be publicly announced, and the evaluation and consideration by the Board of Directors, as described in ③ below, may commence. Necessary Information provided to the Board of Directors shall be submitted to the Independent Committee and, when deemed necessary for shareholder decision-making, all or part of it shall be publicly announced at a time the Board of Directors deems appropriate.

Note 8: "Business Day" means any day other than the days listed in each item of Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs.

③ Evaluation and consideration of necessary information by the Board of Directors, etc.

The Company's Board of Directors shall set a period for evaluation, consideration, negotiation, opinion formation, and alternative proposal formulation by the Company's Board of Directors (hereinafter referred to as the "Board Assessment Period"), counting from the day following the date on which the Notice of Completion of Information Provision is issued to the Large-Scale Purchaser, depending on the degree of difficulty in evaluating, etc. the Large-Scale Purchase: a maximum of 60 days in the case of a purchase of all of the Company's shares through a tender offer in which the consideration is solely in cash (Japanese Yen), or a maximum of 90 days in the case of any other Large-Scale Purchase. In either case, the Board Assessment Period may be extended only if the Board of Directors and the Independent Committee reasonably deem it insufficient for evaluation and consideration; provided, however, that the period of such extension shall be up to a maximum of 30 days. In such case, the Board of Directors shall notify the Large-Scale Purchaser of the specific extension period and the specific reasons why such extension period is required, and make a public announcement to the shareholders.

During the Board Evaluation Period, the Board of Directors, with the advice of independent third-party experts such as financial advisors, certified public accountants, lawyers, consultants, and other professionals as needed, shall thoroughly evaluate and consider the provided Necessary Information, respect the recommendations from the Independent Committee to the fullest extent, and carefully consolidate and announce the opinions of the Board of Directors. Also, if necessary, negotiations with the large-scale purchaser regarding improvement of the conditions of the large-scale purchase activities may be held, and the Board of Directors may present alternative proposals to shareholders.

5. Response in the Case of a Large-scale Purchase

① If the large-scale purchaser does not comply with the large-scale purchase rules

If the large-scale purchaser does not comply with the large-scale purchase rules, regardless of the specific method of the purchase, the Board of Directors, while respecting the recommendations of the Independent Committee to the fullest extent, may counteract the large-scale purchase by taking countermeasures allowed by the Companies Act and the Articles of Incorporation, such as the allotment of share options without contribution, in order to protect corporate value and the common interests of the shareholders.

Furthermore, if the Independent Committee, in making a recommendation regarding the triggering of countermeasures, attaches a reservation to the effect that approval of the general meeting of shareholders should be obtained in making a resolution to trigger countermeasures, or in any other case where the Company's Board of Directors deems it appropriate after placing the utmost respect on the recommendations of the Independent Committee, the Company's Board of Directors shall, in making a resolution to trigger countermeasures, hold a general meeting of shareholders to confirm the intent of the shareholders as provided in ④ below (referred to as the "General Meeting of Shareholders for Confirmation of Shareholders' Intent" under the Plan).

② If the large-scale purchaser complies with the large-scale purchase rules

(1) Triggering or non-triggering of countermeasures based on the determination of the General Meeting of Shareholders for Confirmation of Shareholders' Intent

If the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, the Company's Board of Directors shall evaluate, consider, negotiate, form opinions, and formulate alternative proposals, etc. regarding the Large-Scale Purchase, after placing the utmost respect on the recommendations of the Independent Committee and taking into account the Required Information provided by the Large-Scale Purchaser and all other circumstances.

Even if the Company's Board of Directors is opposed to the Large-Scale Purchase, the Board

of Directors shall, in principle, refrain from taking countermeasures against such Large-Scale Purchase and shall limit its actions to persuading the shareholders by expressing its opposing opinion on the purchase proposal or presenting alternative proposals. Whether or not to accept the purchase proposal of the Large-Scale Purchaser shall be determined by the shareholders upon considering such purchase proposal, the opinions of the Company regarding such purchase proposal, alternative proposals, etc. presented by the Company.

Provided, however, that if, as a result of considering the Large-Scale Purchase after placing the utmost respect on the recommendations of the Independent Committee, the Company's Board of Directors determines that the Large-Scale Purchase will significantly damage the corporate value of the Company and, by extension, the common interests of shareholders, such as by causing irreparable harm to the Company, the Company's Board of Directors shall hold a General Meeting of Shareholders for Confirmation of Shareholders' Intent regarding the propriety of triggering or non-triggering countermeasures, except in cases that fall under any of (a) through (i) of (2) below. Then, the Company's Board of Directors shall decide whether to trigger or not trigger the countermeasures in accordance with the results of the General Meeting of Shareholders for Confirmation of Shareholders' Intent. The details of such procedures are as described in ④ below.

(2) Triggering of Countermeasures by the Determination of the Board of Directors

Even if the Large-Scale Purchase Rules are complied with, if it is determined that the Large-Scale Purchase clearly falls under any of (a) through (i) below and, as a result, will significantly damage the corporate value of the Company and, by extension, the common interests of shareholders, such as by causing irreparable harm to the Company, the Company's Board of Directors may, as an exception, after placing the utmost respect on the recommendations of the Independent Committee and obtaining the approval of the general meeting of shareholders as necessary, decide to trigger the countermeasures described in ① above within a necessary and appropriate scope, for the purpose of protecting the corporate value of the Company and, by extension, the common interests of shareholders.

Provided, however, that even in such case, if the Independent Committee, in making a recommendation regarding the triggering of countermeasures, attaches a reservation to the effect that approval of the general meeting of shareholders should be obtained in making a resolution to trigger countermeasures, or in any other case where the Company's Board of Directors deems it appropriate after placing the utmost respect on the recommendations of the Independent Committee, the Company's Board of Directors shall hold a General Meeting of Shareholders for Confirmation of Shareholders' Intent in making a resolution to trigger countermeasures.

(a) If it is judged that the large-scale purchaser is purchasing the Company's share certificates, etc. for the purpose of driving up the price of the Company's shares and having the Company's related parties buy them at high prices, even though the purchaser has no real intention to participate in the management of the Company (referred to as "greenmailing")

(b) If it is judged that the large-scale purchaser is purchasing the Company's share certificates, etc. for the purpose of conducting scorched-earth management, such as transferring intellectual property rights, know-how, confidential business information, main customers and clients, etc., necessary for the business management of the Company or its Group companies, to the large-scale purchaser or its Group companies, etc., by temporarily controlling the Company's management

(c) If it is determined that the purchase of the Company's share certificates, etc. is being conducted with the intent to divert the Company's or its Group companies' assets as collateral or repayment for the debts of large-scale purchasers or their Group companies, etc., after assuming control of our management

(d) If it is determined that the purchase of the Company's share certificates, etc. is being conducted with the intent to temporarily control its management, force the sale or disposal of its or its Group companies' high-value assets such as real estate, securities, etc., and use the profits from the disposal to enable a temporary high dividend or to aim for a sudden increase in share price due to a temporary high dividend in order to sell share certificates, etc. at the top of the market

(e) If it is determined that the Large-Scale Purchase proposed by a large-scale purchaser imposes so-called coercive two-step purchases (buying all of the Company's shares without soliciting at the first purchase, setting the conditions of the second purchase disadvantageously or without clarity, and conducting public offers, etc.), restricting the judgment opportunities or freedom of all shareholders, and effectively coercing the shareholders to sell Company's share certificates, etc.

(f) If it is determined that the purchase conditions (including but not limited to type and amount of purchase price, calculation basis for the amount, specific details of other conditions, legality, feasibility, etc.) of the Company's share certificates, etc. proposed by the large-scale purchaser are significantly inadequate or inappropriate in light of the Company's corporate value and the common interests of shareholders

(g) If it is determined that the management policy after the purchase by the large-scale purchaser is inadequate or inappropriate, inhibiting the growth and stability of the Company's or its Group companies' business, and thereby potentially causing serious damage to its corporate value and the common interests of shareholders

(h) If it is a purchase that could seriously undermine the relationship with stakeholders associated with the Company, including customers, creditors, employees, etc., which is essential for achieving the continuous increase in the corporate value of the Company or its Group companies, thereby bringing about a significant risk of being contrary to the common interests of shareholders

(i) If the large-scale purchaser is judged to be extremely inappropriate as a controlling shareholder from the standpoint of public order and morals

③Outline of Countermeasures

When making a determination on the propriety of triggering countermeasures in ① or ② above, the Company’s Board of Directors shall consult with the Independent Committee regarding the propriety of triggering countermeasures in order to ensure the objectivity and rationality of such determination. The Company’s Board of Directors shall place the utmost respect on the recommendations of the Independent Committee and, after sufficiently considering the necessity, appropriateness, etc. thereof, make a resolution as an organ under the Companies Act regarding the triggering or non-triggering, etc. of countermeasures.

Regarding the specific measures to be taken, the Company’s Board of Directors will select the measures it deems most appropriate at that time; provided, however, that, in principle, a gratuitous allotment of share options will be implemented. An outline of the cases where a gratuitous allotment of share options is implemented is, in principle, as described in Exhibit 4. However, when actually implementing a gratuitous allotment of share options, conditions taking into account the effects as a countermeasure may be established, such as making it an exercise condition of the share options that the holder does not fall under the category of Non-Qualified Persons (as defined in Exhibit 4, Paragraph 6; the same shall apply hereinafter).

④ General Meeting of Shareholders for Confirmation of Shareholders’ Intent

If the Independent Committee makes a recommendation regarding the triggering of countermeasures and requests the holding of a general meeting of shareholders regarding the resolution to trigger countermeasures, the Company’s Board of Directors shall set a period of up to 60 days as a period for the shareholders to sufficiently consider the propriety of triggering countermeasures under the Plan (hereinafter referred to as the "Shareholder Consideration Period"), and shall hold the General Meeting of Shareholders for Confirmation of Shareholders’ Intent during such Shareholder Consideration Period.

If the Company’s Board of Directors resolves to hold the General Meeting of Shareholders for Confirmation of Shareholders’ Intent and to determine the record date, the Board Assessment Period shall terminate on that date and immediately transition to the Shareholder Consideration

Period.

In holding the General Meeting of Shareholders for Confirmation of Shareholders' Intent, the Company's Board of Directors shall send a document stating the Required Information provided by the Large-Scale Purchaser, the opinions of the Company's Board of Directors regarding the Required Information, alternative proposals of the Company's Board of Directors, and other matters deemed appropriate by the Company's Board of Directors to the shareholders, together with the notice of convocation of the general meeting of shareholders, and shall publicly announce to that effect in a timely and appropriate manner. If a resolution regarding the triggering or non-triggering of countermeasures is adopted at the General Meeting of Shareholders for Confirmation of Shareholders' Intent, the Company's Board of Directors shall comply with such resolution. Specifically, if a proposal to trigger countermeasures is rejected at the General Meeting of Shareholders for Confirmation of Shareholders' Intent, the Company's Board of Directors shall not trigger the countermeasures. The Shareholder Consideration Period shall terminate upon the conclusion of the General Meeting of Shareholders for Confirmation of Shareholders' Intent.

On the other hand, if a proposal to trigger countermeasures is approved at the General Meeting of Shareholders for Confirmation of Shareholders' Intent, the Company's Board of Directors shall, promptly after the conclusion thereof, pass a resolution necessary to trigger the countermeasures. In this case, the Shareholder Consideration Period shall terminate at the time of the conclusion of the relevant Board of Directors meeting. The results of the General Meeting of Shareholders for Confirmation of Shareholders' Intent shall be publicly announced in a timely and appropriate manner after the resolution.

⑤ Large-scale purchase waiting period

If no shareholder deliberation period is set, the period from the submission of the Letter of Intent mentioned in 4. ①"Submission of a Letter of Intent by the large-scale purchaser to the Company" to the Board of Directors to the end of the Board of Directors' evaluation period shall be designated as the large-scale purchase waiting period. On the other hand, if the Shareholder Consideration Period is established, the period from the date on which the Letter of Intent described in 4.① "Submission of a Letter of Intent by Large-Scale Purchaser to the Company" above is submitted to the Company' s Board of Directors until the expiration of the Shareholder Consideration Period shall be defined as the "Large-Scale Purchase Waiting Period." During the large-scale purchase waiting period, large-scale purchases are not allowed. Therefore, large-scale purchases can only begin after the large-scale purchase waiting period has elapsed.

⑥ Regarding the suspension of countermeasure activation

In the case mentioned in ①② above, even after the Board of Directors or the General Meeting of Shareholders for Confirmation of Shareholders' Intent has decided to take specific countermeasures, if the large-scale purchaser withdraws or changes the large-scale purchase activity, or if the Board of Directors determines that it is not appropriate to activate the countermeasures, the activation of the countermeasures may be suspended or changed in a manner that respects the recommendations of the Independent Committee to the fullest extent possible.

For instance, if a gratuitous allotment of share options is to be implemented as a countermeasure, even after the resolution for the gratuitous allotment has been passed by the Company's Board of Directors or after the gratuitous allotment has taken effect, if the Company's Board of Directors determines that the triggering of countermeasures is no longer appropriate, such as due to the Large-Scale Purchaser withdrawing or changing the Large-Scale Purchase, the Company's Board of Directors may, upon receiving a recommendation from the Independent Committee, suspend, etc. the triggering of countermeasures by means of canceling the gratuitous allotment, etc. of share options during the period up to the day immediately preceding the effective date of the share options, or by means of a gratuitous acquisition of the share options by the Company (upon the Company's gratuitous acquisition of the share options, the share options held by the shareholders shall be extinguished) during the period after the gratuitous allotment of share options takes effect up to the day immediately preceding the commencement date of the exercise period.

In the event of such suspension, etc. of the triggering of countermeasures, the Company shall, together with any matters deemed necessary by the Independent Committee, timely and appropriately publicly announce such decision in accordance with laws and regulations and the listing rules, etc. of the financial instruments exchange on which the Company is listed.

6. Initiation, Effective Period, and Discontinuation of the Plan

This plan shall take effect upon approval at this General Meeting of Shareholders, and its effective period shall be until the conclusion of the Annual General Meeting of Shareholders (to be held in June 2029) concerning the last fiscal year ending within three years after said date.

However, even after this plan is approved and takes effect at this Annual General Meeting of Shareholders, it shall be discontinued at the point when a resolution to discontinue this plan is made at the General Meeting of Shareholders, or a resolution to discontinue this plan is made by the Board of Directors.

In addition, even during the effective period of this plan, it may be reviewed from time to time

for the purpose of improving corporate value and, ultimately, the common interests of shareholders, and with the approval of the General Meeting of Shareholders, the plan may be amended.

Furthermore, even during the effective period of this plan, if laws related to this plan or rules for the financial instruments exchange where the Company is listed are newly established or abolished, or if it is appropriate to reflect the new establishment or abolition thereof, or if it is appropriate to correct typos and omissions for some reason, if it does not disadvantage shareholders, the Independent Committee may approve the modification or amendment of this plan.

As stated above, if the Board of Directors makes decisions on updates, modifications, or discontinuations of this plan, the details shall be promptly announced.

<For Reference>

The details of this plan are as described in 1 to 6 above, and the impacts on shareholders and the rationale for this plan is as follows:

1. Plan's Impact on Shareholders, etc.

① Impacts of large-scale purchase rules on shareholders, etc.

The large-scale purchase rules are intended to provide shareholders with the necessary information to decide whether to accept large-scale purchase activities along with the opinions of the Board of Directors that is currently managing the Company, and to ensure that shareholders have the opportunity to receive alternative proposals. This allows shareholders to make appropriate decisions about whether to accept large-scale purchase activities based on sufficient information, which we believe leads to the protection of corporate value and ultimately, the common interests of shareholders. Therefore, we believe that the establishment of large-scale purchase rules is a prerequisite for enabling shareholders to make appropriate investment decisions, and is thus beneficial to shareholders.

Note that the approach to large-scale purchase activities varies depending on whether the large-scale purchaser complies with the large-scale purchase rules, so shareholders are advised to pay attention to the tendencies displayed by large-scale purchasers.

② Impact on shareholders at the time of countermeasure activation

If the Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules, or even if the Large-Scale Purchase Rules are complied with, if it is determined in accordance with the procedures described in 5. ① and ② above that the Large-Scale Purchase will significantly damage the corporate value of the Company and, by extension, the common interests of shareholders, such as by causing irreparable harm to the Company, the Company's Board of Directors may, for the purpose of protecting the corporate value of the Company and, by extension, the common interests of shareholders, trigger countermeasures permitted under the Companies Act, other laws and regulations, and the Articles of Incorporation of the Company, such as a gratuitous allotment of share options. However, due to the mechanism of such countermeasures, the Company does not anticipate a situation where shareholders (excluding Non-Qualified Persons) would suffer any particular loss in terms of their legal rights or economic aspects.

On the other hand, for shareholders who fall under the category of Non-Qualified Persons, if countermeasures are triggered, disadvantages may consequently arise in terms of their legal rights or economic aspects.

If the Company's Board of Directors decides to take specific countermeasures, the Company shall timely and appropriately publicly announce such decision in accordance with laws and regulations and the rules of the financial instruments exchange on which the Company is listed.

If a gratuitous allotment of share options is implemented as one of the countermeasures, shareholders will receive the allotment of share options without the need to apply for subscription, and upon the Company taking procedures to acquire the share options, shareholders will receive the Company's shares as consideration for the acquisition of the share options by the Company without paying the amount equivalent to the exercise price of the share options. Therefore, procedures such as application or payment will not be required. Provided, however, that in this case, the Company may require the shareholders who receive the allotment of the share options to separately submit a document in a format prescribed by the Company vowing that they do not fall under the category of Non-Qualified Persons, etc.

Furthermore, even after the allotment date of the share options or after the share options take effect, due to circumstances such as the Large-Scale Purchaser withdrawing the Large-Scale Purchase, the Company may cancel the allotment of the share options or gratuitously acquire the share options without delivering the Company's shares in exchange for the share options by the day immediately preceding the commencement date of the exercise period of the share options. In these cases, shareholders or investors who have conducted sales, etc. on the assumption that dilution of the value of shares per share would occur may suffer a corresponding loss due to fluctuations in the share price.

2. Regarding the Rationale of the Plan (that this plan is in line with the Basic Policy on Company Control, is consistent with the value of the Company and the common interests of the shareholders, and is not intended to maintain the positions of the Company's officers)

① The plan satisfies the requirements of the Guidelines for Regarding Response Policies to Takeovers, etc.

The plan satisfies the three principles (the principle of securing and enhancing corporate value and common interests, the principle of prior disclosure and shareholder intent, and the principle of ensuring necessity and proportionality) set forth in the Guidelines for Countermeasures Against Takeovers for the Protection and Improvement of Corporate Value and the Common Interests of Shareholders announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. Additionally, this takes into account the details of the "Approach to Anti-Takeover Measures in Light of Recent Environmental Changes" report announced by the Corporate Value Study Group established in the Ministry of Economy, Trade and Industry on June 30, 2008, as well as

The "Guidelines for Corporate Takeovers" released by the Ministry of Economy, Trade and Industry on August 31, 2023, and the "Corporate Governance Code" revised by the Tokyo Stock Exchange on June 11, 2021, particularly “Principle 1-5: So-called Takeover Defense Measures.”

② The plan does not undermine the common interests of shareholders

The plan, when there are large-scale purchase activities for the Company’s shares, allows shareholders to determine whether or not to respond to these large-scale purchases. It also provides information and time for the Board of Directors to present alternative proposals or negotiate with the purchaser on behalf of shareholders, with the aim of securing and enhancing the corporate value of the Company and, consequently, the common interests of the shareholders.

The renewal of this plan is conditional upon the approval of the shareholders, and the plan can be abolished by the will of the shareholders. Therefore, it can be assumed that this plan is guaranteed not to undermine the common interests of the shareholders.

③ The plan reflects the will of the shareholders

The plan shall come into effect with the approval of shareholders at the General Meeting, and the renewal of the plan shall reflect the will of the shareholders.

Also, even prior to the expiration of the plan after renewal, if a resolution to abolish the plan is made at the General Meeting of Shareholders, the plan shall be abolished at that point, reflecting the will of the shareholders.

④ Emphasis on the judgment of highly independent outsiders

In order to ensure the necessity and appropriateness of the Plan and to prevent the Plan from being abused for the entrenchment of directors, the triggering of countermeasures under the Plan requires that matters necessary for taking responses in accordance with the Plan, including the propriety of triggering countermeasures, be consulted with the Independent Committee, which consists of members independent from the management of the Company, and that the utmost respect be placed on the recommendations of the Independent Committee; thus, procedures to ensure the transparent operation of the Plan are secured so as to contribute to the corporate value of the Company and, by extension, the common interests of shareholders.

⑤ It is not a dead-hand takeover response policy

The plan can be abolished by the Board of Directors, who are elected at the Company's General Meeting of Shareholders. Therefore, this plan is not a dead-hand takeover response policy (a takeover response policy that cannot be stopped even if more than half of the members of the Board of Directors are replaced).
In addition, the Company has set the term of directors at two years, but has not adopted a staggered term system. Furthermore, the Company does not require a special resolution as a requirement for the resolution to dismiss a director.

(Appendix 1)

Criteria for Determination of Joint or Coordinated Actions, etc.

This Criteria is to be used as a standard for determining whether a person falls under "a person who substantially controls, or acts jointly or in coordination with, such persons" when determining "Non-Qualified Persons" including the Large-Scale Purchaser as defined in the Plan. However, it shall also be used as a standard for determining whether "a relationship in which one party substantially controls the other, or they act jointly or in coordination with each other" (a "Joint/Coordinated Relationship") has been established between the relevant Specific Shareholder Group and the relevant other shareholder, when determining a "Large-Scale Purchase" which is a prerequisite for determining a "Large-Scale Purchaser."

In determining whether a Joint/Coordinated Relationship has been established, a comprehensive judgment shall be made regarding the subject of determination (including its parent company, subsidiaries, and other entities that should be deemed identical to the subject of determination), taking into account the factors of each item below, as well as the presence or absence of direct or indirect facts suggesting that there is "no" communication of intent with the acquirer.

Hereinafter, the "Large-Scale Purchaser" shall include the parent company or subsidiaries of the "Large-Scale Purchaser" (collectively with the Large-Scale Purchaser, the "Large-Scale Purchaser Group"), as well as officers and major shareholders of the Large-Scale Purchaser Group.

1. Whether the timing of acquiring the Company’s share certificates, etc. overlaps with the period during which the acquisition of the Company’s share certificates, etc. or actions toward a takeover, such as making Material Proposals, etc., are being conducted by the Large-Scale Purchaser.

2. Whether the volume of the Company’s share certificates, etc. acquired has reached a substantial amount.

3. Whether the timing of commencing the acquisition of the Company’s share certificates, etc. is close to the timing when the Large-Scale Purchaser’s actions toward a takeover commenced, such as the commencement of the acquisition of share certificates, etc. by the Large-Scale Purchaser or the expression of intent to acquire control over the management of the Company

or to make Material Proposals, etc., or close to events related to the actions of the Large-Scale Purchaser, such as the record date of a general meeting of shareholders whose agenda includes matters concerning the Response Policy.

4. Whether there are commonalities with the characteristics of the timing and manner of acquisition of the Company's share certificates, etc. by the Large-Scale Purchaser (for example, whether margin buying, etc. is utilized), such as acquiring the Company's share certificates, etc. at the same time during a period when trading conditions of the Company's share certificates, etc. in the market are abnormal (for example, a period when trading volume is significantly inflated compared to average trading volume, or when the share price surges significantly compared to the average share price in the preceding period).

5. Whether the subject has ever acquired share certificates, etc. of another listed company in which the Large-Scale Purchaser acquires (or acquired) share certificates, etc., and whether the timing of such acquisition or the holding period overlaps with or is close to those of the Large-Scale Purchaser.

6. Whether the exercise of shareholder rights (common interests) against such other company (another listed company in which the subject became a shareholder together with the Large-Scale Purchaser) during the overlapping period described in 5. above was aligned with that of the Large-Scale Purchaser. If it was aligned, to what extent was the alignment in light of the type and details of such shareholder rights, the results of the exercise of shareholder rights, etc.?

7. In the event that directors or other officers were elected or dismissed at such other listed company described in 5. above as a result of the exercise of common interests, such as voting rights, by the subject of determination and the Large-Scale Purchaser (and, if there are shareholders other than the subject of determination who exercised common interests, such as voting rights, in alignment with the Large-Scale Purchaser, such shareholders), whether any risk of damage to corporate value or shareholder value has arisen at such other listed company during the tenure of such officers after the change (for example, the occurrence of an event constituting a material violation of laws and regulations or an event with the risk thereof, delisting, designation as a Security Under Special Vigilance, bankruptcy or other legal insolvency proceedings, or issuance of shares or share options involving large-scale dilution). If so, to what extent is the risk of damage to corporate value or shareholder value?

8. Whether any capital relationship or financing relationship (such as lending or borrowing of funds), etc. directly or indirectly exists or has ever existed with the Large-Scale Purchaser.

9. Whether there exists or has ever existed, directly or indirectly, an interlocking officer relationship, a familial relationship (including similar relationships such as a de facto marriage; the same shall apply hereinafter), a business relationship, or personal relationships within an alma mater or other communities with the Large-Scale Purchaser, as well as whether there exists a personal relationship such as one party being or having been an employee, union member, or other constituent member of the other.

10. Whether the exercise of shareholder rights (common interests) against the target company was aligned with that of the Large-Scale Purchaser. If it was aligned, to what extent was the alignment in light of the type and details of the exercised shareholder rights, the results of the exercise of shareholder rights, etc.? (Note that a "Joint/Coordinated Relationship" shall not be determined to have been established solely based on this Item 10.)

11. Whether words, actions, etc. regarding the business or management policies of the target company are similar to those of the Large-Scale Purchaser. If there are similar words, actions, etc., to what extent is the similarity in light of the timing and details of such words, actions, etc.? (Note that a "Joint/Coordinated Relationship" shall not be determined to have been established solely based on this Item 11.)

12. Whether their agents or advisors belong or have ever belonged to the same office, corporation, or organization as those of the Large-Scale Purchaser, have a business alliance relationship, have jointly executed similar projects, and/or have familial relationships or other personal relationships, thereby having a relationship that facilitates the communication of intent with the Large-Scale Purchaser (regardless of whether it is direct or indirect).

13. In addition, whether there are any other direct or indirect facts suggesting that there is communication of intent with the Large-Scale Purchaser.

(Appendix 2)

Overview of Independent Committee Regulations

・The Independent Committee is established by a resolution of the Company's Board of

Directors.

・The members of the Independent Committee consist of three or more people, and to make fair and neutral judgments, they are elected based on a resolution of the Company's Board of Directors from among outside directors, outside auditors, or outside experts (experienced company managers, persons well-versed in investment banking, former government officials, lawyers, certified public accountants, experienced scholars, or the equivalent) who are independent from the management executing the Company's business.

・The term for members who are outside directors or outside auditors is until the expiration of their term as directors or auditors, and the term for members who are outside experts is until the end of the first Board of Directors meeting after the conclusion of the Annual General Meeting of Shareholders concerning the last fiscal year ending within three years after said date.

・The Independent Committee shall make recommendations to the Board of Directors regarding matters that are consulted on, including whether a large-scale purchaser has complied with the large-scale purchase rules, whether the large-scale purchase activities could significantly damage corporate value and the common interests of shareholders, whether countermeasures should be implemented or not, and whether to cease countermeasures that have been initiated. The recommendations shall, in principle, include the details of their decisions, as well as their reasons and the basis thereof. Furthermore, each member of the Independent Committee shall make these decisions from the perspective of whether they contribute to corporate value and thus to the common interests of the shareholders.

・The Independent Committee can, at the Company's expense, obtain advice from independent third-party professionals such as financial advisors, certified public accountants, lawyers, consultants, and other specialists as needed.

・The resolutions of the Independent Committee are passed when more than half of committee members are present and more than half of attending members agree.

(Appendix 3)

Brief Profiles of Independent Committee Member Candidates

Once the plan is renewed, the Independent Committee is expected to consist of the following three members.

Yoshihito Nabeya
Brief Profile: Born on July 13, 1968
April 1991: Joined The Daishi Bank, Ltd. (current Daishi Hokuetsu Bank, Ltd.)
February 2014: Branch Manager at Daishi Hokuetsu Bank, Ltd. Nishiyama Branch
April 2021: Branch Manager at Daishi Hokuetsu Bank, Ltd. Aramachi Branch
July 2023: Sales Department Head at The Daishi Hokuetsu Lease Co., Ltd
June 2024: Full-time Outside Corporate Auditor (current position)

Kazuo Watanabe
Brief Profile: Born on December 11, 1956
April 1979: Joined Yamagata Shiawase Bank (currently Kirayaka Bank)
May 2007: General Manager of the Yuza branch
April 2010: General Manager of the Niigata branch
June 2012: Full-time Outside Corporate Auditor
June 2024: Outside Corporate Auditor (current position)

Shun Yoshida
Brief Profile: Born on October 30, 1990
September 2017: Passed the Bar Examination
December 2018: Registered as a lawyer
Joined the Yoshida Koji Law Office (current position)
June 2024: Appointed Outside Corporate Auditor (current position)

These three individuals have been reported as independent directors according to the standards set by the Tokyo Stock Exchange.
* There is no special conflict of interest between each Independent Committee member and the Company.

(Appendix 4)

Overview of Allotment of Share Options Without Contribution

1. Shareholders subject to the allotment of share options without contribution and the allotment method

   Share options shall be allocated to the shareholders written or recorded in the final shareholder registry on the allotment date determined by the Board of Directors, without requiring additional payment, at a rate of one share option per share of Company common shares that they own (excluding the Company's own shares).

2. Type and number of shares to be issued for share options

   The type of shares to be issued for share options shall be common shares of the Company, and the number of shares to be issued per share option shall be one share. However, if the Company conducts a stock split or a stock merger, the necessary adjustments shall be made.

3. Total number of share options to be allocated to shareholders

   The upper limit shall be the number obtained by subtracting the total number of issued common shares of the Company (excluding the common shares of the Company owned by the Company) from the total number of shares that the Company can issue as of the allocation date determined by the Board of Directors. The Board of Directors may allocate share options multiple times.

4. Assets and their value to be contributed upon exercise of each share option

   The assets to be contributed upon the exercise of each share option shall be cash, and their value shall be an amount not less than one yen as determined by the Board of Directors. If the Board of Directors decides to acquire the share options, it is possible to deliver shares to shareholders as consideration for the acquisition of new share options by the Company, without paying an amount equivalent to the exercise price.

5. Restrictions on transfer of share options

Acquisition of the share options through transfer shall require the approval of the Board of Directors.

6. Conditions for exercising share options

(a) Share options held by Non-Qualified Persons (including those substantially held) cannot be exercised.

"Non-Qualified Persons" means persons who fall under any of the following:

(i) A Large-Scale Purchaser;

(ii) A joint holder of a Large-Scale Purchaser (Article 27-23, Paragraph 5 and Paragraph 6 of the Financial Instruments and Exchange Act);

(iii) A specially related party of a Large-Scale Purchaser (Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act);

(iv) A person whom the Board of Directors reasonably determines, based on the recommendations of the Independent Committee, to fall under any of the following:

(x) A person who has acquired or succeeded to share options from a person falling under (i) through (iii) above without the approval of the Company;

(y) A "Related Party" of a person falling under (i) through (iii) above. A "Related Party" means an investment bank, securities company, or other financial institution that has entered into a financial advisory agreement with such persons, any other person who shares a substantial interest with such persons, a tender offer agent, an attorney-at-law, a certified public accountant, or other advisors, or a person who substantially controls, or acts jointly or in coordination with, such persons. In determining a "Related Party" concerning a partnership or other funds, the substantial identity of the fund manager and all other circumstances shall be taken into account.

(b) A holder of share options may exercise the share options only if such holder submits to the Company a document in a format prescribed by the Company containing representations and warranties clauses, indemnification clauses, and other matters determined by the

Company to the effect that such holder does not fall under the category of Non-Qualified Persons described in 6(a) above (including that, if exercising for the benefit of a third party, such third party does not fall under the category of Non-Qualified Persons described in 6(a) above), materials demonstrating the satisfaction of conditions required 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., the fulfillment of prescribed procedures or the satisfaction of prescribed conditions is required regarding the exercise of share options by a person located in the jurisdiction of such laws and regulations, etc., the person located in such jurisdiction may exercise the share options only when the Company recognizes that all such procedures and conditions have been fulfilled or satisfied. Even if a person located in such jurisdiction would become able to exercise the share options by the Company fulfilling or satisfying the above procedures and conditions, the Company shall bear no obligation to fulfill or satisfy them.

(d) Confirmation of the satisfaction of the conditions described in 6(c) above shall be determined by the Board of Directors through procedures mutatis mutandis to the procedures specified in 6(b) above.

7. Acquisition Conditions

(a) On a date determined by the Board of Directors that falls on or after the effective date of the gratuitous allotment of share options, the Company may acquire unexercised share options that are exercisable in accordance with the provisions of 6(a) and (b) above (i.e., held by persons who do not fall under the category of Non-Qualified Persons) (including share options held by persons falling under 6(c) above; hereinafter referred to as "Exercisable Share Options" in (b) below) in exchange for the Company’s shares of common stock, the number of which is equal to the integer part of the number obtained by multiplying the number of share options to be acquired by the number of shares to be issued upon exercise of each share option.

(b) On a date determined by the Company’s Board of Directors that falls on or after the

effective date of the gratuitous allotment of share options, the Company may acquire unexercised share options other than the Exercisable Share Options, in exchange for the same number of share options as the relevant share options to be acquired, which are subject to certain restrictions on exercise by Non-Qualified Persons (having the exercise conditions, acquisition clauses, and other contents determined by the Company's Board of Directors described below; hereinafter such share options shall be referred to as the "Second Share Options").

(i) Exercise Conditions

Non-Qualified Persons may exercise the Second Share Options only to the extent that the voting rights ratio of the Large-Scale Purchaser after the exercise of the Second Share Options as recognized by the Company's Board of Directors falls below 20% or a ratio separately determined by the Company's Board of Directors, in cases where all of the following conditions are met or other cases determined by the Company's Board of Directors:

(x) The Large-Scale Purchaser has suspended or withdrawn the Large-Scale Purchase and has vowed not to conduct any Large-Scale Purchase thereafter.

(y) > * (α) The voting rights ratio of the Large-Scale Purchaser (provided, however, that in calculating the voting rights ratio in this (i), Non-Qualified Persons other than the Large-Scale Purchaser and its joint holders shall also be calculated as being deemed joint holders of such Large-Scale Purchaser, and the Second Share Options held by Non-Qualified Persons for which the exercise conditions are not satisfied shall be excluded from the calculation) as recognized by the Company's Board of Directors is below 20% or a ratio separately determined by the Company's Board of Directors, or

(β) If the voting rights ratio of the Large-Scale Purchaser is 20% or more, or equal to or more than a ratio separately determined by the Company's Board of Directors, the Large-Scale Purchaser or other Non-Qualified Persons have entrusted a securities company recognized by the Company to dispose of the Company's share certificates, etc. through on-market transactions, and after such

disposal, the voting rights ratio of the Large-Scale Purchaser as recognized by the Company's Board of Directors has fallen below 20% or a ratio separately determined by the Company's Board of Directors.

(ii) Acquisition Clauses

If any unexercised Second Share Options remain on the date 10 years after the date on which the Second Share Options were delivered, the Company may acquire such Second Share Options (limited, however, to those for which the exercise conditions are not satisfied) in exchange for cash equivalent to the market value of the Second Share Options at that time.

(c) Confirmation of the satisfaction of conditions regarding the compulsory acquisition of share options shall be determined by the Board of Directors through procedures mutatis mutandis to the procedures specified in 6(b) above. Furthermore, at any time up to the day immediately preceding the commencement date of the period during which the share options become exercisable, if the Company's Board of Directors recognizes that it is appropriate for the Company to acquire the share options, the Company may gratuitously acquire all of the share options upon the arrival of a date separately determined by the Company's Board of Directors.

8. Exercise period for share options, etc.

The date when the allocation of the share options becomes effective, the exercise period, and other necessary matters shall be determined separately by the Board of Directors.

9. Matters Concerning Capital and Reserves

Matters concerning the stated capital and capital reserves to be increased due to the exercise of share options and the acquisition based on the acquisition clauses, etc. shall be determined in accordance with the provisions of laws and regulations, etc.

10. Fractions

If there is a fraction of less than one share in the number of shares to be delivered to a person who has exercised the share options, such fraction shall be rounded down; provided, however, that if a holder of share options exercises multiple share options at the same time, the number of shares to be delivered to such holder of share options may be calculated by aggregating the number of shares to be delivered upon the exercise of each share option to determine any fraction.

11. Issuance of Share Option Certificates

No share option certificates shall be issued for the share options.