

May 14, 2021

To all concerned,

Company Name: transcosmos, Inc.  
Representative: President and COO, Masataka Okuda  
(Code No.9715, Tokyo Stock Exchange, 1<sup>st</sup> Section)  
Inquires: Takeshi Kamiya, Director, Executive  
Vice President  
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### **Renewal of Countermeasures to Large-Scale Acquisitions of transcosmos inc. Shares (Takeover Defense Measures)**

transcosmos, inc. (the "Company") resolved to introduce a plan for countermeasures to large-scale acquisitions of the shares in the Company (the "Former Plan") subject to the approval of shareholders by resolution of its board of directors on May 15, 2018 and obtained approval at the ordinary general meeting of shareholders of the Company held on June 21, 2018 for the 33rd fiscal year. The effective period of the Former Plan is until the conclusion of the ordinary general meeting of shareholders of the Company relating to the 36th fiscal year to be held on June 23, 2021 (the "Ordinary General Meeting of Shareholders").

Prior to the expiration of the effective period of this old plan, the Company decided to update the old plan by partially revising its contents (hereafter referred to as "this update," and the plan after this update is referred to as the "Plan") in an effort to prevent decisions concerning the Company's financial and business policies from being controlled by inappropriate persons (Article 118, Section 3, B (2) of the Companies Act Enforcement Order) in light of our Basic Policy pertaining to the modality of persons who control decisions regarding the Company's financial and business policies (as specified in Article 118, Section 3 of the Companies Act Enforcement Order, and the basic policy after such revision is hereafter referred to as the "basic policy"). This decision was made at the Company's Board of Directors meeting held on May 14, 2021 on the condition that approval would be obtained from the shareholders at the Ordinary General Meeting of Shareholders, and this is to inform you of the results as follows. Moreover, all of the directors including seven outside directors attended the above-mentioned Board of Directors meeting, and this update was unanimously approved.

The major changes from the old plan associated with this update include changes in the formal wording and so forth.

#### **I. Basic policy regarding persons who determine the Company's financial and business directions**

The Company considers that, the persons who determine our policy's financial and business directions need to be those who understand the source of the Company's corporate values and enable the Company to secure and increase our corporate values and therefore the stockholders' profit continuously and persistently.

The Company considers that, in case a proposal is made for a purchase which would entail transfer of the Company's management rights, the judgment should be made ultimately by the entire group of stockholders' intentions. Moreover, in case a large-scale purchase of the Company's stocks is made, if such purchase were to contribute to securing and increasing the Company's corporate values and stockholder's mutual benefits, we would not deny it. However, some large-scale purchase of the stocks clearly invade our corporate values and the stockholder's mutual benefits, judged by their purposes; some have in reality a possibility of demanding the stockholders to sell their shares; and some do not provide sufficient time or

information for the Company's board of directors or stockholders to discuss the nature of the large-scale purchase or for the board of directors of the applicable company to come up with a substitute proposal; and some require negotiations with the purchaser for more favorable conditions than those proposed by the purchaser, etc. There are more than a few scenarios which would not prove beneficial to the corporate values and stockholders' mutual benefits of the companies subject to large-scale purchase.

The Company values the degree of our customers' satisfaction and strives for maintenance and improvement of our corporate values. The Company's sources of corporate values are: 1. A total "IT utilization ability," which we have accumulated as a pioneer in information processing outsourcing business since our establishment; 2. Existence of "people" who are able to adopt easily to the changes in the environment and combine the latest technology with creative ideas; 3. Various "stable, long-term trust and relationship with clients" built upon utilizing the strength as an independent corporation. Unless those who make purchases of the Company's stocks understand these sources of the Company's corporate values and secure them in the mid- to long-term and improve them, the Company's corporate values and in turn the stockholders' mutual benefits would be damaged. The Company feels that, in regard with such abusive purchases, we need to secure the Company's corporate values and thus the stockholders' mutual benefits by taking necessary and appropriate countermeasures.

## II. Sources of the Company's corporate values and special undertakings which contribute toward realization of our basic policies

### 1. Sources of the Company's corporate values

Since its founding in 1966, the Company has endeavored to enhance the competitiveness of client companies by integrating outstanding "people" with the latest "technical capabilities" to provide more valuable services under a management philosophy which asserts that "The level of our customers' satisfaction measures the value of our existence, and the development of each person creates that value and our future."

Our company started out as an information services company specializing in data entry operations, and as a result of continuing tireless efforts to maintain our uniqueness and achieve growth since then, we grew to be known as "Japan's data entry company" within less than 10 years after our founding. Many of the achievements we cultivated here have laid the foundation for becoming an information processing outsourcer. Since then, we have expanded our business domain with the change of the times. In the 1980s when personal computers (PCs) began to appear in markets around the world, we began PC support services based on the knowledge and application know-how cultivated through our data entry operations, and we are currently developing contact center services and business process outsourcing services. Additionally, in the 1990s when the Internet started becoming commercialized, we recognized that the Internet would bring about major changes in the business environment of companies, and based on that, we entered into a new business domain known as digital marketing and made strategic moves for future business development in order to quickly tackle the development of services that would incorporate Internet technology. Furthermore, in order to respond to the globalization of rapidly developing Japan companies, we have constructed a world-wide service delivery system and established a business base that enables us to provide high value-added and unique outsourcing services that are developed in Japan. Through these efforts, our company has established outstanding business operations in response to the diversity of global markets, with "people and technology" that are best suited for each market. And with the operational capabilities to achieve speed, cost and accuracy, we have established a top-class position in Asia as a BPO vendor that optimizes the business processes of client companies and promotes change. This has been accomplished through a service philosophy that advances conditions in which the business processes of client companies have a high competitive advantage and are enhanced up to the sources of their competitive strength (Operational Excellence).

In order to maintain and improve the corporate value of our Company, it is extremely important to continue refining these sources of our corporate value in the future, to aim for global expansion, and ultimately to make IT more familiar and easier to use for human beings by connecting people and IT through our business. In addition, within the human resources that support our business, we will continue contributing to the development of the global economy and society through ongoing initiatives for ESG issues, embracing the promotion of diversity including support for women's activities, advancing the employment of people with disabilities, and actively hiring local human resources overseas. It is efforts such as these which form the foundation for achieving broad customer satisfaction and establishing stable long-term trust relationships with customers to support the creation of corporate value for our company.

## 2. Efforts for increasing our corporate values

In the environment surrounding the outsourcing services offered by our Company, there is expanding demand for services that lead to advances such as improved operational efficiency, enhanced cost competitiveness and sales expansion, against a backdrop that includes a declining labor force, the globalization of businesses, and the popularization of smart devices and SNS.

As competitive and unique services for this situation, our Company has actively developed DEC services that integrate digital marketing, EC (E-Commerce) and contact centers, along with Digital BPO services that combine Operational Excellence with digital technologies such as AI and RPA (Robotic Process Automation), and we have achieved a steady track record that includes topping our highest sales from the past.

On the other hand, along with the progress of digital technology, companies that are digitally alert and agile are innovating within traditional industries. In order to respond to a new competitive environment, it is inevitable for client companies to promote changes such as "supporting customer contacts that are diversified and digitized" as well as "accelerating the digitization of corporate business processes." Our Company sees these changes in the environment as an opportunity for further business growth. We formulated a medium-term management plan comprising three years ending with fiscal 2019 to offer new services utilizing digital technology in order to support innovative changes at client companies. In other words, we aimed to be a "Global Digital Transformation Partner" as stated in our corporate message, and we implemented various measures from the perspectives of service innovations, global expansion of services, and becoming a strategic partner for client companies. By steadily implementing that management plan, new services utilizing digital technology have been created in various businesses. However, selling, general, and administrative expenses increased temporarily due to actively making business investments, and the profitability of business as a whole remains a task to be addressed. Additionally, in order to respond to the personnel shortages and increasing personnel fees that are expected to continue moving forward, we believe it is necessary to make efforts towards evolving the innovative services and businesses that we have developed so far.

For that purpose, the Company formulated a new medium-term management plan for fiscal 2020 to fiscal 2022 in order to greatly develop the new model created up to fiscal 2019 and to accelerate our movement towards becoming a "Global Digital Transformation Partner." Under the new medium-term management plan, the Company will aim to achieve high growth and profitability by resolving clients' issues and providing high value-added solutions through "people & technology," the combination of professional human resources and cutting-edge technology, which is the starting point of our businesses. Therefore, in existing business areas, in addition to endeavoring to lengthen and expand our relationships based on the trust of our clients, we will focus our efforts into expanding into related business areas, particularly those in which demand is expected to grow in the future and in which the strengths and client assets of each business can be utilized. In addition, looking towards the creation of new domains that might become new pillars in the future, the Company will achieve innovations that make maximum use of the group strengths of the affiliated companies and joint ventures in which we

have invested. Through these efforts, the Company will firmly establish a sustainable business model and progress towards becoming a globally unmatched outsourcing service provider that can contribute to the top-line growth of its client companies.

### 3.Reinforcement of Corporate Governance

In order to improve corporate value by further strengthening corporate governance through an increase in the supervisory functions of the board of directors, our Company transitioned into a company retaining an Audit and Supervisory Committee in June of 2016 with the approval of shareholders. Currently, seven of the seventeen directors are independent outside directors, and this provides a system that further strengthens supervisory functions for management.

In terms of management by the board of directors, the directors who comprise the board hold active discussions providing opinions based on their individual assessments, and advice is obtained from the management of the outside directors, from an independent perspective that is objective and impartial, in order to ensure the adequacy and appropriateness of decision making by the board of directors. In addition, the Company has introduced a corporate officer system, in which the responsibilities held by the board of directors for “management decision-making and supervisory functions” and “operation execution functions” are separated, so that the board of directors have responsibility for “decision-making and supervisory functions,” while corporate officers have responsibility for “operation execution functions.” By doing this we are able to achieve quick and detailed execution of operations in order to respond flexibly to changes in industry specific business environments. The audit and supervisory committee, which is comprised of three outside directors, attends important meetings, including those of the board of directors, and through an internal control department, it monitors whether internal control systems are properly constructed and operated. In this way as well as through other means, it conducts audits of the Company and its domestic and overseas subsidiaries, as well as auditing the execution of duties by the directors. In addition, the audit and supervisory committee oversees the decision-making process for the nomination and compensation of directors who are not members of the audit and supervisory committee.

Moreover, as part of the training and education for directors, the Company holds events as appropriate including compliance and legal affairs training, as well as director study seminars conducted by inviting outside lecturers.

We believe that these actions to strengthen corporate governance will stimulate efforts to enhance corporate value as mentioned in section 2 above and form the foundation for enhancing corporate value and the common interests of shareholders. Therefore, we believe that all of these actions are in line with our basic policies related to corporate governance.

## III Purpose and nature of the Plan

### 1.Purpose of the Plan

The purpose of the Plan is to secure and increase the Company’s corporate values and thus the stockholders’ mutual benefits, and it is to be renewed based on the basic policy indicated in the above I.

The Company’s board of directors, as stipulated in the basic policy, considers that those who make large-scale acquisitions which do not contribute to the Company’s corporate values and thus the stockholders’ mutual benefits are not suitable as the ones to determine the Company’s financial and business policies. The purpose of the Plan is to prevent control by those individuals unsuitable to make decisions on the Company’s financial and business policies, to suppress large-scale purchase which contradicts with the Company’s corporate values and thus the stockholders’ mutual benefits and at the same time to propose substitute proposals by the Company’s board of directors to the stockholders at the time of large-scale purchase is made and secure the necessary information and time for making judgment on whether or not the stockholders should accept the large-scale purchase, and to make it

possible to conduct negotiations on behalf of the shareholders.

In addition, at this point, there is not notice or proposal being made from any specific third party to the Company in regard with making such large-scale purchase of the Company's stocks.

## 2. Outline of the Plan

The Plan sets forth the necessary procedures when a party attempts to acquire 20% or more of the Company's stocks, such as requiring the purchaser for information beforehand, in order to realize the above-mentioned objectives.

The purchaser shall follow the procedures set forth by the Plan, and in case it is decided by the Company's board of directors meeting that the Plan shall not be put into effect, only after this decision is made, shall be allowed to make the large-scale purchase of the Company's stocks.

In case the purchaser does not follow the procedures set forth by the Plan, or in case there is a concern that the large-scale purchase of the Company's stocks and such might damage the Company's corporate values or the stockholders' mutual benefits, and in case the triggering events stipulated by the Plan are satisfied, the Company shall follow the rational measures available under the provisions of rights sharing with a condition that the rights cannot in principle be exercised by the purchaser and that the Company can obtain call options from other parties than the purchaser in exchange for the Company's stocks, other laws and regulations, and the Company's articles of incorporation. In case allotment of share options without contribution is made following the Plan, and following its execution or the Company's purchase, and the Company's issues are distributed to the stockholders other than the purchaser, the voting rights ratio of the Company owned by the purchaser could possibly be reduced down to approximately 50% at the lowest.

The Company shall, regarding whether or not the execution of the allotment of share options without contribution is made in accordance with the Plan and judgment regarding purchase, in order to avoid arbitrary decision by the board of directors, a stockholders' meeting shall be held to confirm the intentions of the stockholders in case an Independent Committee 44 Run has been designated, comprising of outside directors independent from the Company's management.

Regarding the processes for such procedures, we shall disclose information to our shareholders as necessary in order to secure its transparency.

## 3. Nature of the Plan (efforts made to prevent control by an unsuitable individual(s) over decisions on the Company's financial and business policies)

### (1) Nature of the Plan

#### (a) Applicable purchases

The Plan shall be applicable in case a purchase and other purchases or acts of similar nature as indicated in the ① or ② below (which includes these proposals<sup>1</sup>). (Those separately approved by the Company's board of directors as the ones to whom the Plan shall not be applicable; hereinafter, "purchase.")

#### Notes

① For those stock certificates<sup>2</sup> issued by the Company, takeovers and other purchases

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<sup>1</sup> This includes any act of solicitation of purchases to the third party.

<sup>2</sup> This is defined in Financial Instrument and Exchange Law, Article 27, 23 (1). The same shall apply unless stipulated otherwise.

where the shareholder<sup>3</sup>'s ratio of stock certificate<sup>4</sup> would be 20% or higher.

- ② For those stock certificates<sup>5</sup> issued by the Company, a takeover where the party making a takeover bid<sup>6</sup>, the total of the ratio of the stock certificates owned<sup>7</sup> and ratio owned by its special party<sup>8</sup> would be 20% or higher.

The party making the purchase (hereinafter, the "purchaser") shall follow the procedures set forth in the Plan and shall not execute the takeover until the decision regarding whether or not allotment of the share options without contribution (the overall contents are as stipulated in the following (3) "allotment of the share options without contribution," and the pertaining share options are hereinafter referred to as "share options") is to be made, such purchase shall not be made.

(b) Submission of declaration of intent

The purchaser shall, prior to the start or execution of the purchase, with the separate form designated by the Company, submit a legally-binding written document which includes a clause declaring that the purchaser shall abide by the procedures stipulated by the Plan (with the signature and/or with the name and official seal by the representative of the purchasers and without conditions or restrictions) and a certificate of license for the said representative of the purchasers, signed and/or with the official seal (hereinafter, these two documents together are referred to as a "declaration of intent") to the Company. On the declaration of intent, the purchaser's name or business name, address or head office, location of a representative office and such, incorporation laws, the representative's name, contact information in Japan, and outline of the intended purchase shall be listed. In addition, the language used for the declaration of intent, description of the purchase as stipulated in the following (c) below, and other documents submitted to the Company or Independent Committee shall be limited to Japanese.

(c) Requests for providing information to purchasers

Within 10 business days from the date of receiving a declaration of intent, the Company will issue a purchase statement (defined below) form to the purchaser (including a list of information to be provided to the Company by the purchaser). In accordance with the format that the Company has issued, the purchaser will submit to the board of directors of the Company written documentation (collectively referred to as the "purchase statement") containing the information set forth in the following paragraphs (hereinafter referred to as the "required information").

When it receives a purchase statement, the board of directors of the Company will immediately send it to an Independent Committee (selection criteria for members of the Independent Committee, resolution requirements and resolution matters, etc., are as described in Attachment 1 "Summary of the Independent Committee Rules," and career summaries, etc., for members of the Independent Committee at the time of this update are as described in Attachment 2 "Independent Committee Biographies"). If the Independent Committee determines that the descriptions contained in the purchase statement are insufficient for this required information, then it may request that the purchaser provide additional information and set an appropriate deadline for a response. In this case, the purchaser will be asked to provide such additional information by the stated deadline.

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<sup>3</sup> This includes those included in the group of stockholders based upon Financial Instrument and Exchange Law, Article 27, 23 (3) (include those individuals deemed as applicable by the Company's board of directors). The same shall apply here.

<sup>4</sup> Financial Instrument and Exchange Law, Article 27, 23 (4) The same shall apply here.

<sup>5</sup> This is defined in Financial Instrument and Exchange Law, Article 27, 23 (1). The same shall apply unless stipulated otherwise.

<sup>6</sup> This is defined by Financial Instrument and Exchange Law, Article 27, 2 (6). The same shall apply here.

<sup>7</sup> This is defined by Financial Instrument and Exchange Law, Article 27, 2 (8). The same shall apply here.

<sup>8</sup> This is defined by Financial Instrument and Exchange Law, Article 27, 2 (7). (Include those individuals deemed as by the Company's board of directors). However, in regard with the individuals listed in the said clause 1, those defined by Cabinet Office Ordinance on Disclosure Required for purchase for Listed Share Certificates, etc. Conducted by Those Other than the Issuing Corporation, Article 3, 2 shall be excluded. The same shall apply here.

## Required Information

- ① Details (including name, capital ties, financial condition, operating results, existence and content of past legal violations, as well as details regarding past transactions by the purchaser of the same type as this purchase) regarding the purchaser and their group (joint holders<sup>9</sup>, special related parties and special related parties for whom the purchaser is a controlled corporation<sup>10</sup>)<sup>11</sup>
  - ② The purpose, method and specific details of the purchase (including the amount and type of consideration, timing, structure of related transactions, legality of the method and feasibility, etc.)
  - ③ Price and the calculation basis of the purchase
  - ④ Information regarding the contents of any agreements between the purchaser and any third parties regarding stock certificates, etc., of the Company and regarding any past acquisition of the Company's stock certificates, etc., by the purchaser
  - ⑤ Source of funds for the purchase (including specific names of the providers of funds (including substantial providers), procurement methods and the contents of related transactions)
  - ⑥ Our group's post-purchase business policy, business plan, capital policy and dividend policy
  - ⑦ Post-purchase policies with respect to stakeholders such as the Company's shareholders (except for the purchaser) and our group's, employees, business partners and customers
  - ⑧ Specific measures to avoid conflicts of interest with the Company's other shareholders
  - ⑨ Information regarding relationships with anti-social forces
  - ⑩ Other information that the board of directors of the Company or the Independent Committee determine to be reasonably necessary
- (d) Review of the purchase details, negotiations with the purchaser and consideration of alternatives
- ① Request to provide information to the board of directors of the Company  
When a purchase statement and other information have been submitted by the purchaser (including the submission of additionally requested information, also the same hereinafter) and it is accepted as reasonable, the Independent Committee can also request that the board of directors of the Company provide opinions (assumed to include opinions indicating objections, also the same hereinafter) on the content of the purchase by the purchaser, its supporting documentation, alternatives (if any) and other information deemed necessary by the committee and set an appropriate deadline for a response (the "Board of Directors deliberation period").
  - ② Review by the Independent Committee  
If the Independent Committee deems that the purchase statement and other information submitted by the purchaser are sufficient, then for a period of 90 days following the receipt of such information (including the Board of Directors deliberation period, the "Independent Committee deliberation period"), a review of the purchase contents, information collection and comparison related to the management and business plans of the purchaser and the board of directors of the Company, and a review of alternatives provided by the board of directors of the Company will be conducted.

In order to ensure that the Independent Committee's decisions contribute to the

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<sup>9</sup> This refers to joint holders as defined in Article 27, Section 23, Paragraph 5 of the Financial Instruments and Exchange Act, and includes a person who is regarded as a joint holder pursuant to Paragraph 6 (the board of directors of the Company includes persons deemed to fall under this rule). This shall be the same throughout this document.

<sup>10</sup> This is defined in the Financial Instruments and Exchange Act, Enforcement Order Article 9, Paragraph 5.

<sup>11</sup> If the purchaser is a fund, information conforming to item ① is included for each association member and other constituent members.

Company's corporate value, and therefore the common interests of its shareholders, the Independent Committee may, at the Company's expense, obtain the advice of financial advisors, certified public accountants, attorneys, certified tax accountants, consultants and other experts.

In addition, from the standpoint of ensuring and enhancing the Company's corporate value and the common interests of its shareholders, it is presumed that the Independent Committee may directly or indirectly carry out discussions and negotiations with the purchaser if necessary in order to improve the terms of the purchase. In the event that the Independent Committee directly or indirectly requests the submission of study materials and other information, or discussions and negotiations, etc., the purchaser must respond promptly to this request.

Furthermore, within a reasonable period of time (however, it shall be a maximum of 30 days) required for review of the contents of the purchase by the purchaser, the study of alternatives and negotiations with the purchaser, etc., it shall be possible to extend the Independent Committee deliberation period one or more times.

(e) Recommendations of the Independent Committee

When it is determined that the purchase corresponds to a trigger event (also including a quasi-trigger event as defined in item (2), hereinafter referred to as "the trigger event") as described below in (2) "Requirements for the Gratis Allocation of Stock Acquisition Rights, etc.," except in the case of special circumstances such as when there is a continuing need to receive information provided by the purchaser or to conduct negotiations and consultations with the purchaser, the Independent Committee will recommend that the board of directors of the Company implement reasonable measures<sup>12</sup> (hereinafter referred to as "the Gratis Allocation of Stock Acquisition Rights, etc.") which can be taken under the Gratis Allocation of Stock Acquisition Rights, other laws and regulations, and the Company's articles of incorporation. Furthermore, among the various trigger events if the possibility of applying trigger event item 2 (hereinafter, referred to as "trigger event 2") to a particular purchase becomes problematic, the Independent Committee shall be enabled to attach reservations to the effect that confirmation of the shareholders' intentions should be obtained in advance.

Notwithstanding the foregoing, even after once recommending implementation of the Gratis Allocation of Stock Acquisition Rights, if it is determined that one of the following reasons is applicable, the Independent Committee shall be enabled to cancel the Gratis Allocation of Stock Acquisition Rights up until two business days before the ex-rights date of the Gratis Allocation of Stock Acquisition Rights, or following the effective date of the Gratis Allocation of Stock Acquisition Rights and up until the day before the start date of the exercise period for the Stock Acquisition Rights, the committee may make a new recommendation that the Stock Acquisition Rights should be acquired at no cost.

- (i) If the purchaser withdraws the purchase after the recommendation and no other purchases exist
- (ii) If the trigger event no longer exists by reason of changes in facts that were the premise of the recommendation decision

On the other hand, if a determination is not reached that the purchase corresponds to the trigger event, the Independent Committee shall not make a recommendation to the board of directors of the Company to the effect that the Gratis Allocation of Stock Acquisition Rights should be implemented.

Notwithstanding the foregoing, even after that, if changes occur in facts that were the

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<sup>12</sup> Specifically, at a general meeting of shareholders resolutions may be made calling for the withdrawal of the purchase by the purchaser.



premise of the decision and the purchase corresponds to the trigger event, then the Independent Committee shall be enabled to make a new recommendation to the effect that the Gratis Allocation of Stock Acquisition Rights, etc., should be implemented.

In addition to the above, if the purchase poses a risk of harm to the Company's corporate value and the common interests of its shareholders, then for that reason, the Independent Committee shall also be able to recommend holding a general meeting of shareholders to confirm the intentions of the shareholders with regard to the purchase of the purchaser.

(f) Resolutions of the board of directors

If a shareholders meeting for confirmation of intentions is held based on item (g) below, the board of directors of the Company will make a resolution in accordance with the resolution of that shareholders meeting for confirmation of intentions. If a shareholders meeting for confirmation of intentions is not held, the board of directors of the Company shall show the highest respect for the recommendation from the Independent Committee made in accordance with item (e) above and make a resolution as an organization under the Companies Act regarding the implementation or non-implementation of the Gratis Allocation of Stock Acquisition Rights, etc.

(g) Holding of shareholders meeting for confirmation of intentions

When the Independent Committee implements the Gratis Allocation of Stock Acquisition Rights, etc., in accordance with item (i) of (e) above, and attaches a reservation that confirmation of the shareholders' intentions should be obtained in advance, or when it makes a recommendation to confirm the shareholders' intentions regarding the purchase of the purchaser, or (ii) when the possibility of applying trigger event 2 to a particular purchase becomes problematic, and in light of the duty of care with consideration for the time, etc., required to call a general meeting of shareholders, the board of directors determines that it is appropriate to confirm the shareholders' intentions, the board of directors of the Company shall be enabled to call a general meeting of shareholders (hereinafter, "shareholders meeting for confirmation of intentions") and to confirm the intentions of all shareholders.

(h) Information disclosure

In the operation of the Plan, the Company will make timely disclosures of information in accordance with applicable laws and regulations, or rules of the financial instruments exchanges, regarding the progress of various procedures in the Plan (including information that a declaration of intent and purchase statement have been submitted, the Independent Committee deliberation period has begun, and the Independent Committee deliberation period has been extended), or a summary of recommendations made by the Independent Committee, a summary of resolutions by the board of directors of the Company, and any other matters deemed appropriate by the Independent Committee or the board of directors of the Company.

(2) Requirements for the Gratis Allocation of Stock Acquisition Rights, etc.

As triggers for the Plan, the requirements for implementation of the Gratis Allocation of Stock Acquisition Rights are as follows. Furthermore, as described above in (1) "Procedures for implementation of the Plan" (e), the relevance of the following requirements must be determined through the recommendations of the Independent Committee.

### Triggers

#### Trigger Event 1

A case of a purchase that is not in accordance with the procedures stipulated in the Plan (including cases in which the time and information, etc., that are reasonably necessary to determine the details of the purchase are not provided), and for which it is appropriate to implement the Gratis Allocation of Stock Acquisition Rights

## Trigger Event 2

A case corresponding to one of the following, and for which it is appropriate to implement the Gratis Allocation of Stock Acquisition Rights

- (a) A case of a purchase that may lead to an obvious infringement of the Company's corporate value and the common interests of its shareholders through any of the acts listed below
  - ① Acts of buying up share certificates, etc., and demanding purchase of the share certificates by the Company or its stakeholders at a higher price
  - ② Acts such as conducting business to gain temporary control of the Company's management to acquire important assets of the group at low cost and sacrificing the Company to realize profits for the purchaser
  - ③ Acts to divert assets of the group as collateral and repayment funds, etc., for debts of the purchaser and its group companies
  - ④ Acts such as gaining temporary control of the Company's management to dispose of expensive assets not having an immediate relationship to the group's business, and causing a temporary high dividend with the retained earnings, or aiming for an opportunity to sell at a profit with a spike in the stock price due to the temporary high dividend
- (b) A case of a purchase based on fear in which shareholders are virtually forced to sell shares, such as a coercive two-step acquisition (refers to making a stock purchase where, for example, the first offer does not solicit the sale of all shares and conditions are then set adversely for the second stage of the purchase, or a takeover bid is made without any clear indications)
- (c) A case of purchase conditions (including matters such as amount and type of consideration, timing, legality of methods, feasibility, or post-acquisition policies, etc., with respect to other shareholders, group employees, customers, business partners and other stakeholders of the Company) which are insufficient or inadequate in view of the Company's intrinsic value
- (d) A case of a purchase that poses a significant risk contrary to the corporate value of the Company or the common interests of its shareholders, for example, by compromising relationships with group employees, customers and business partners, etc., which are essential for generating the corporate value of the Company

In addition to the above, when requirements conforming to each Trigger Event listed above are satisfied, and it is appropriate (referred to as "quasi-trigger events" in the Plan.), the Company may take reasonable measures that are possible under laws, regulations and the Company's articles of incorporation as triggers of the Plan. In this case also, as above in (1) "Procedures for implementation of the Plan" (e), this must be determined through the recommendations of the Independent Committee.

### (3) Summary of the Gratis Allocation of Stock Acquisition Rights, etc.

A summary of the implementation of the Gratis Allocation of Stock Acquisition Rights under the Plan is as follows.

#### (a) The number of Stock Acquisition Rights

This will be the same as the final number of the Company's shares outstanding (however, deducting the number of shares held by the Company at that time.) on a certain date (hereinafter referred to as the "allotment date") which is separately determined in a resolution of the board of directors or a resolution of the shareholders meeting regarding the Gratis Allocation of Stock Acquisition Rights (hereinafter referred to as "the Gratis Allocation of Stock Acquisition Rights resolution").

#### (b) Shareholders eligible for allotment

Stock acquisition rights will be assigned to shareholders, other than the Company, which are recorded in the final list of shareholders on the allotment date (hereinafter referred to as the "Shareholders eligible for allotment") at the ratio of one stock acquisition right for each share of the Company's stock which is held.

- (c) Effective date of the Gratis Allocation of Stock Acquisition Rights  
This will be a separately determined date within the Gratis Allocation of Stock Acquisition Rights resolution.
- (d) Number of shares for the Stock Acquisition Rights  
In principle, the number of company shares for one stock acquisition right (hereinafter referred to as the "target number of shares") will be one share.
- (e) The value of assets contributed upon exercise of the Stock Acquisition Rights  
The purpose of the investment to be made upon exercise of the Stock Acquisition Rights is monetary, and the value per company stock share for assets invested upon exercise of the Stock Acquisition Rights will be a separately determined amount in the Gratis Allocation of Stock Acquisition Rights resolution, within a range of amounts having one yen as the lower limit and one half of the market value of one share of the Company's stock as the upper limit. Furthermore, the "market value" shall be an amount corresponding to the average (including market indication displays) of the closing prices for each day of regular trading of the Company's common stock on the Tokyo Stock Exchange for the 90 days (except days when transactions are not closed) prior to the Gratis Allocation of Stock Acquisition Rights resolution, and any fraction less than one yen shall be rounded up.
- (f) Exercise period for the Stock Acquisition Rights  
The first day (hereinafter the first day of the exercise period will be referred to as the "Exercise period start date") shall be a date separately established in the Gratis Allocation of Stock Acquisition Rights resolution, and in principle, the period of time will be separately established in the Gratis Allocation of Stock Acquisition Rights resolution within a range of from one to six months.
- (g) Conditions for the exercise of Stock Acquisition Rights  
(I) Specified Large Holders<sup>13</sup>, (II) Joint holders of Specified Large holders, (III) Specified Large Purchasers<sup>14</sup>, (IV) Specially related parties of Specified Large Purchasers, or (V) Parties who are assignees or successors to the Stock Acquisition Rights from parties who fall under (I) through (IV) above without obtaining the approval of the board of directors of the Company, or (VI) Parties related to parties who fall under (I) through (V) above<sup>15</sup> (hereinafter, parties falling under (I) through (VI) are collectively

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<sup>13</sup> As a general rule, this refers to holders of share certificates, etc., issued by the Company whose percentage of shareholdings related to the share certificates, etc., (including parties considered by the board of directors of the Company to fall under the above). However, parties whose acquisition and holding of the Company's share certificates, etc., are not considered by the board of directors to be contrary to the corporate value of the Company or the common interests of its shareholders, and certain other parties specified separately in the Gratis Allocation of Stock Acquisition Rights resolution by the board of directors, shall not be regarded as Specified Large Holders. This will be the same throughout this document.

<sup>14</sup> As a general rule, this refers to a party that has made a public announcement to the effect that they will carry out a purchase (as defined in Article 27, Section 2, Paragraph 1 of the Financial Instruments and Exchange Act, and hereinafter the same in this footnote) of share certificates, etc., issued by the Company (as defined in Article 27, Section 2, Paragraph 1 of the same Act, hereinafter the same in this footnote) through a takeover bid, and after the acquisition, the percentage of the share certificate holdings related to their ownership (including cases stipulated in Article 7, Paragraph 1 of the Financial Instruments and Exchange Act Enforcement Order as pursuant to this regulation) added to the percentage of shareholdings of their special parties will be 20% or more (including parties considered by the board of directors of the Company to fall under these categories). However, parties whose acquisition and holding of the Company's share certificates, etc., are not considered by the board of directors to be contrary to the corporate value of the Company or the common interests of its shareholders, and certain other parties specified separately in the Gratis Allocation of Stock Acquisition Rights resolution by the board of directors, shall not be regarded as Specified Large Holders. This will be the same throughout this document.

<sup>15</sup> A "related party" of a certain participant is one who substantially dominates that party, who is dominated by that party, or one who is under joint control with that party (including those considered by the board of directors of the Company to fall under this category), or it may refer to one considered by the board of directors of the Company as acting in concert with such a party. Furthermore, "control" refers to "dominating the decisions for financial and business policies" of

referred to as "Non-Qualified Parties") will not be able to exercise the Stock Acquisition Rights, in principle.

In addition, as a general rule non-residents who are required to follow certain procedures under applicable foreign laws upon exercise of the Stock Acquisition Rights are also not able to exercise the Stock Acquisition Rights (however, as indicated in (i) (2) below, on condition of confirming that there is no conflict with applicable laws, the Stock Acquisition Rights held by non-residents will also be subject to acquisition by the Company with shares of the Company as consideration). In addition, parties who do not submit a written pledge in a form prescribed by the Company, including representations and warranties regarding the sufficiency of the Stock Acquisition Rights exercise conditions, indemnity clauses and other covenants, will also be unable to exercise the Stock Acquisition Rights.

(h) Assignment of the Stock Acquisition Rights

Acquisition by assignment of the Stock Acquisition Rights requires the approval of the board of directors of the Company.

(i) Acquisition of the Stock Acquisition Rights by the Company

① If the board of directors of the Company agrees that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company can acquire all of the Stock Acquisition Rights free of charge on a date separately determined by the board of directors of the Company at any time up until the day before the Exercise period start date.

② On a date separately determined by the board of directors of the Company, the Company may acquire all of the outstanding Stock Acquisition Rights held by parties other than Non-Qualified Parties up until the day before a date determined by the board of directors of the Company, and in exchange for this, it shall be possible to issue the number of Company shares corresponding to the target number of Shares for each Stock Acquisition Right.

In addition, on or after the date upon which the acquisition takes place, if the board of directors of the Company deem that parties other than Non-qualified Parties are present among those holding Stock Acquisition Rights, then on a date determined by the board of directors of the Company after the date upon which the acquisition is made, and until the day before a date determined by the board of directors of the Company, the Company may acquire all of the outstanding Stock Acquisition Rights held by those parties, and in exchange for this, it shall possible to issue the number of Company shares corresponding to the target number of Shares for each Stock Acquisition Right, and this will apply in the same way thereafter.

③ Other matters concerning acquisition will be separately determined in the Gratis Allocation of Stock Acquisition Rights resolution.<sup>16</sup>

(j) Issuance of Stock Acquisition Rights in case of Mergers, Absorption-type splits, Incorporation-type company splits, Share exchanges and Equity transfers

These shall be separately determined in the Gratis Allocation of Stock Acquisition Rights resolution.

(k) Issuance of Stock Acquisition Rights

Stock Acquisition Rights will not be issued according to the subject Stock Acquisition Rights.

(l) Other

In addition to the provisions above, the details of the Stock Acquisition Rights shall be

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another company (as defined in the Companies Act Enforcement Order Article 3, Section 3.).

<sup>16</sup> The Company may set forth provisions on acquisition to the effect that stock acquisition rights with details that differ from the Stock Acquisition Rights will be issued to Non-Qualified Parties as consideration, and the details will be determined in the Gratis Allocation of Stock Acquisition Rights resolution.

separately determined in the Gratis Allocation of Stock Acquisition Rights resolution.

(4) Procedures for this update

In accordance with the provisions of Article 41 of the Company's Articles of Incorporation, with regard to the delegation of authority to the board of directors of the Company to determine matters relating to the Gratis Allocation of Stock Acquisition Rights in accordance with the conditions described in the Plan, this update is subject to the condition of receiving the approval of all shareholders at the Ordinary General Meeting of Shareholders.

(5) Effective period, abolition and change of the Plan

The effective period of the Plan continues until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within three years after the conclusion of the Ordinary General Meeting of Shareholders.

However, even before the expiration of the effective period, if a resolution is made at a General Meeting of Shareholders of the Company to withdraw the above-mentioned delegation of authority to the board of directors of the Company to determine matters relating to the Gratis Allocation of Stock Acquisition Rights, or if a resolution is made by the board of directors of the Company to abolish the Plan, the Plan shall be abolished in accordance with the applicable resolution.

In addition, even during the effective period of the Plan, if it is not contrary to the sense of the resolution of this General Meeting of Shareholders, including cases such as when laws or rules and regulations of the financial instruments exchanges related to the Plan are newly established or abolished, and it is appropriate to reflect such changes, when it is appropriate to make revisions of wording because of typographical errors, or when it does not cause a disadvantage for the Company's shareholders, the board of directors of the Company shall be able to correct or change the Plan upon obtaining the approval of the Independent Committee.

In case the Plan is abolished, corrected or changed, information will be promptly disclosed regarding the facts of such abolition, revisions or changes, and (in the case of revisions and changes) the contents and other matters concerning the revisions and changes.

(6) Revisions due to amendment of laws and regulations, etc.

The provisions of laws and regulations referred to in the Plan are assumed to be those provisions which are in force as of May 14, 2021, and if it becomes necessary to make modifications to the content of provisions and terms set forth in the paragraphs above due to newly established or abolished laws and regulations after that date, it shall be possible to change the reading of the content of provisions and terms set forth in the paragraphs above within a reasonable and appropriate range considering the sense of the newly added or abolished content.

#### 4. Impact on shareholders and investors

(1) Impact of this update on shareholders and investors

Based on the resolution of the shareholders meeting, the implementation of this update only delegates decision authority to the board of directors to determine matters relating to the Gratis Allocation of Stock Acquisition Rights, and since the Gratis Allocation of Stock Acquisition Rights itself will not occur, there will be no direct and specific impact on shareholders and investors.

(2) Impact on shareholders and investors at the time of the Gratis Allocation of Stock Acquisition Rights

(i) Procedures for the Gratis Allocation of Stock Acquisition Rights

In case the Gratis Allocation of Stock Acquisition Rights resolution is carried out by the board of directors or a General Shareholders Meeting of the Company, the allocation date will be established in the resolution and an official announcement will be made. In this

case, all shareholders eligible for the allocation will be assigned free of charge one stock acquisition right for each share of Company stock that they hold. Furthermore, since all shareholders eligible for the allocation will of course become Stock Acquisition Rights holders on the effective date of the Gratis Allocation of Stock Acquisition Rights, an application is not required.

Furthermore, even if the Gratis Allocation of Stock Acquisition Rights resolution is made, the Company shall show the highest respect for the recommendation of the Independent Committee described above in 3. (1) "Procedures for the implementation of the Plan" (e), and may cancel the Gratis Allocation of Stock Acquisition Rights up until two business days before the ex-rights date of the Gratis Allocation of Stock Acquisition Rights, or following the effective date of the Gratis Allocation of Stock Acquisition Rights and up until the day before the start date of the exercise period for the Stock Acquisition Rights, it may acquire the Stock Acquisition Rights for no consideration. In these cases, since there will be no dilution of the value per share of the Company's stock, investors who traded on the assumption that such dilution would occur may experience a corresponding impact as a result of fluctuations in the share price.

(ii) Procedures for the exercise of Stock Acquisition Rights

As a general rule, the Company will send out the documents to be submitted upon exercise of the Stock Acquisition Rights (these shall be in a form prescribed by the Company, including the content and number of Stock Acquisition Rights to be exercised, required information such as the exercise date for the Stock Acquisition Rights, representations and warranties regarding matters such as the shareholders themselves satisfying the exercise conditions for the Stock Acquisition Rights, indemnity clauses and other covenants, and the information necessary to transfer Company shares to the accounts of all shareholders eligible for the allocation) and other required documents to all shareholders eligible for the allocation. After the Gratis Allocation of Stock Acquisition Rights, in principle, one share of the Company's stock will be issued for each Stock Acquisition Right to all shareholders who submit these necessary documents, and in principle, pay by a predetermined method, and within the exercise period of the Stock Acquisition Rights, the monetary equivalent of the exercise price, which is determined in the Gratis Allocation of Stock Acquisition Rights resolution within a range of amounts having one yen as the lower limit and one half of the market value of one share of the Company's stock as the upper limit. Furthermore, the exercise of the Stock Acquisition Rights by Non-qualified Parties shall be subject to separate provisions established by the Company in accordance with the spirit of the above 3. (3) "Summary of the Gratis Allocation of Stock Acquisition Rights, etc." (g).

If shareholders do not exercise these Stock Acquisition Rights and pay the amount equivalent to the exercise price, then the shares they hold in the Company will be diluted by the exercise of the Stock Acquisition Rights by other shareholders.

However, the Company may acquire the Stock Acquisition Rights from anyone other than Non-qualified Party shareholders in accordance with the terms described in (iii) below, and issue Company shares in exchange for these. If the Company carries out such acquisition procedures, everyone other than Non-qualified Party shareholders will receive shares in the Company without exercising the Stock Acquisition Rights and paying the amount equivalent to the exercise price, and as a general rule the shares they hold in the Company will not be diluted.

(iii) Procedures for acquisition of the Stock Acquisition Rights by the Company

If the board of directors of the Company makes a decision to acquire the Stock Acquisition Rights, then in accordance with legal procedures and on a date separately determined by the board of directors of the Company, the Company may acquire the Stock Acquisition Rights from all shareholders other than the Non-qualified Party shareholders, and issue Company shares in exchange for these. In this case, all such shareholders will in

principle receive one share of the Company's stock for each of the Stock Acquisition Rights as consideration for the acquisition of the Stock Acquisition Rights by the Company, without paying the monetary equivalent of the exercise price. However, in this case, in addition to providing the information necessary to make transfers to the accounts of shareholders eligible for the allocation of Company shares, all such shareholders may separately be asked to furnish written pledges in a form prescribed by the Company, including representations and warranties regarding matters such as that they themselves are not Non-Qualified Parties, as well as indemnity clauses and other covenants.

Furthermore, provisions may be made in the Gratis Allocation of Stock Acquisition Rights resolution for matters relating to the acquisition of Stock Acquisition Rights from Non-Qualified Parties and other acquisitions, in which case the Company may take action in accordance with such provisions.

In addition to the above, after being determined in the Gratis Allocation of Stock Acquisition Rights resolution, disclosures of information or notifications will be provided to all shareholders regarding details of the allocation method, exercise method and the company's acquisition method; therefore please confirm this content.

#### IV Rationality of the Plan

1. Ensuring and enhancing corporate value and the common interests of the shareholders

The Plan is based on the basic policy and is updated with the aim of securing the Company's corporate value and the common interests of the shareholders, such that when a purchase for Company shares is made, the decision of whether or not to accept the offer is determined by the shareholders, or the board of directors of the Company secures the information, and time, etc., necessary to propose alternatives, and facilitates negotiations with the purchaser on behalf of the shareholders.

2. Fulfillment of requirements for guidelines, etc., concerning takeover defense

The Plan satisfies all three principles ({1} Principle of protecting and enhancing corporate value and the common interests of the shareholders, {2} Principle of prior disclosure and shareholder intentions, and {3} Principle of necessity and proportionality) established in the guidelines concerning Takeover Defense Measures for the Protection or Enhancement of Corporate Value and the Common Interests of shareholders, which was announced on May 27, 2005 by the Ministry of Economy, Trade and Industry and the Ministry of Justice. Additionally, the contents of the Plan take into consideration practices and discussions concerning takeover defense measures such as the report titled "Takeover Defense Measures in Light of Recent Environmental Changes" announced on June 30, 2008 by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry. Furthermore, the contents of the Plan also take into consideration the provisions of "Principle 1.5, So-called Anti-Takeover Measures" in "Japan's Corporate Governance Code (Revised June 1, 2018)" established in June 2015 by the Tokyo Stock Exchange.

3. Importance of shareholders intentions

As described above in III 3. (4) "Procedures for this update," the Plan is updated subject to the condition of receiving the approval of all shareholders at the Ordinary General Meeting of Shareholders regarding delegation to the board of directors of the Company under the provisions of the Articles of Incorporation of the Company.

In addition, the board of directors of the Company shall in certain cases confirm the intentions of the shareholders at a shareholders meeting for confirmation of intentions concerning whether or not to activate the Plan.

In addition, a so-called sunset clause is attached to the Plan, with an effective period of approximately three years, and even before the expiration of the effective period, if a

resolution is made to the effect of withdrawing the above-mentioned delegation to the board of directors of the Company at a Company Shareholders Meeting, the Plan will be abolished at that time. In that sense, the intentions of the shareholders are reflected in the life of the plan.

4. Importance of assessments by independent outside directors and acquisition of third party expert opinions

In triggering the Plan, it has been determined to invariably go through recommendations of the Independent Committee, which is composed only of outside directors and others who are independent.

In addition, the Independent Committee has been enabled to receive the advice of experts at the Company's expense, and the fairness and objectivity of decisions made by the Independent Committee have led to a mechanism which is more strongly secured.

5. Setting of rational and objective requirements

As described above in III 3. (1) "Procedures for implementation of the Plan" (e) and III 3. (2) "Requirements for the Gratis Allocation of Stock Acquisition Rights, etc.," the Plan has been set up so that it will not be triggered unless rational and objective requirements have been satisfied, and it may be said that this secures a mechanism to prevent arbitrary triggering by the board of directors of the Company.

6. Not a dead-hand or slow-hand takeover defense measure

Since the Plan can be abolished by the board of directors, which is composed of directors elected at a general meeting of shareholders based on the nominations of parties who have purchased share certificates in large quantities, it is not a dead-hand takeover defense measure (a takeover defense measure by means of which it is not possible to prevent triggering even by replacing a majority of the members of the board of directors). In addition, since the term of office for the directors of the Company is one year, and a staggered term system has not been adopted, the Plan is also not a slow-hand takeover defense measure (a takeover defense measure by means of which more time is required to stop the triggering, since it is not possible to replace the members of the board of directors at the same time).

End



## Outline of the Rules of the Independent Committee

- The Independent Committee shall be installed by a resolution of the board of directors of the Company.
- There will be three or more Members of the Independent Committee who are independent from the executive team that manages company business, and are appointed by the board of directors of the Company from any of the following persons: (i) Outside directors of the Company, (ii) Experts. However, experts must be persons who are proven corporate managers, persons from government agencies, those familiar with the investment banking business or the Company's business area, attorneys, certified public accountants or researchers whose main subject of study is corporate law, etc., or persons comparable to these, and in addition, they must also be persons who have entered into a contract with the Company, including duty of care provisions, etc., specified separately by the board of directors of the Company.
- The term of office for members of the Independent Committee continues until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within three years after the conclusion of the Ordinary General Meeting of Shareholders. However, this limit shall not apply in cases otherwise provided for by a resolution of the board of directors of the Company. In addition, for Independent Committee members who were outside directors, but who have lost those positions (except in cases where they have been re-appointed), their term of office as an Independent Committee member will also end at the same time.
- The Independent Committee is able to decide on matters that are described in each of the following items, and it can then make recommendations to the board of directors of the Company regarding the contents of their decisions together with their reasons. The board of directors of the Company shall show the highest respect for the recommendations of the Independent Committee and make resolutions as an organization under the Companies Act (however, if another resolution has been made in the shareholders meeting for confirmation of intentions, the resolution of the shareholders meeting will be followed). Furthermore, each member of the Independent Committee must make such decisions from the standpoint of whether or not they are conducive to the Company's corporate value and the common interests of its shareholders, and they should not be for the purpose of achieving personal gain exclusively for themselves or for the management of the Company.
  - ① Implementation or non-implementation of reasonable measures that can be taken under the Gratis Allocation of Stock Acquisition Rights, other laws and the Company's Articles of Incorporation (hereinafter referred to as "the Gratis Allocation of Stock Acquisition Rights, etc.")
  - ② Discontinuation of the Gratis Allocation of Stock Acquisition Rights, etc., or the free acquisition of the Stock Acquisition Rights
  - ③ Determination of information which the purchaser and the board of directors of the Company should provide to the Independent Committee and the applicable deadlines
  - ④ Detailed examination and review of the contents of the purchase by the purchaser
  - ⑤ Discussions and negotiations with the purchaser
  - ⑥ Request to the board of directors of the Company for the submission of alternatives and review of the alternatives submitted by the board of directors of the Company
  - ⑦ Decision for extension of the Independent Committee Review Period
  - ⑧ Assessment of the necessity for convening a General Shareholders meeting regarding implementation of the Gratis Allocation of Stock Acquisition Rights, etc.
  - ⑨ Approval for revision or change of the Plan
  - ⑩ Assessment of pros and cons regarding the introduction of takeover defense measures other than the Plan
  - ⑪ Other matters involving the Plan which are determined to be achievable by the Independent Committee

⑫ Matters regarding which the board of directors of the Company separately consult with the Independent Committee, or which are determined to be achievable separately by the Independent Committee

⑬ Determination of relevance to a purchase which is subject to the Plan

- In order to collect the necessary information, the Independent Committee can request the attendance of the Company's board members, employees, and other persons deemed necessary by the Independent Committee, and it may seek explanations related to matters requested by the Independent Committee.
- The Independent Committee may, for example, obtain the advice of financial advisors, certified public accountants, attorneys, certified tax accountants, consultants and other experts at the Company's expense.
- Any member of the Independent Committee may convene a meeting of the Independent Committee when a purchase is made or at any other time.
- As a general rule, resolutions of the Independent Committee are made with all members of the Independent Committee in attendance (including attendance via video conference or telephone conference, also the same hereinafter), and they are carried out by a majority of the voting rights. However, if there are unavoidable grounds, resolutions can be made with a majority of the Independent Committee in attendance, and by a majority of the voting rights.

End

Profiles of the Members of the Independent Committee

The following three persons are scheduled to be the members of the Independent Committee upon the Renewal.

Name:	Eiji Uda	
Date of birth:	August 3, 1956	
Career summary:	April 1981	Joined IBM Japan, Ltd.
	January 1999	Senior General Manager and Manager of Information Service Industry Business Division of IBM Japan, Ltd.
	January 2001	Representative Director & President of SOFTBANK COMMERCE CORP. (present SoftBank Corp.)
	March 2004	Senior Vice President of salesforce.com, Inc.
	April 2004	Representative Director and President of salesforce.com Co., Ltd.
	April 2012	Executive Vice President of salesforce.com, Inc.
	June 2014	Outside Director of the Company
	March 2016	Chairman and Representative Director of Unified Service Co., Ltd.
	April 2016	President and Representative Director of 4U Lifecare Inc.
	June 2016	Outside Director (Audit and Supervisory Committee Member) of the Company (present post)
	September 2017	Chairman, Representative Director and CEO of Yext Co., Ltd.
	December 2017	President, Chairman and Representative Director of Unified Service Co., Ltd.
	April 2018	Chairman and Director of 4U Lifecare Inc. (present post)
	June 2018	Chairman and Representative Director of Unified Service Co., Ltd.
	November 2020	Chairman and Representative Director of Yext Co., Ltd. (present post)
		To present

Eiji Uda is an Outside Director (who is an Audit and Supervisory Committee Member) of the Company. He does not have any special interest in the Company. The Company has designated him as an independent executive stipulated by the Tokyo Stock Exchange, and registered them with the exchange as such.

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Name: Rehito Hatoyama

Date of birth: January 12, 1974

Career summary:	April 1997	Joined Mitsubishi Corporation
	May 2008	Joined Sanrio Co., Ltd.
	April 2013	Managing Director of Sanrio Co., Ltd.
	June 2013	Outside Director of DeNA Co., Ltd.
	June 2015	CEO of Sanrio Media & Pictures Entertainment, Inc.
	April 2016	Outside Director of Pigeon Corporation (present post)
	June 2016	Outside Director of the Company (present post)
	July 2016	Representative Director of Hatoyama Soken Corporation (present post)
	March 2021	Outside Director of Z Holdings Corporation (present post)
		To present

Rehito Hatoyama is an Outside Director of the Company. He is scheduled to be reappointed as an Outside Director of the Company upon approval of the proposal regarding appointment of Directors at this Annual General Meeting of Shareholders.

He does not have any special interest in the Company. The Company has designated him as an independent executive stipulated by the Tokyo Stock Exchange, and registered them with the exchange as such.

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Name: Toru Shimada

Date of birth: March 3, 1965

Career summary:	April 1987	Joined Recruit Co., Ltd.
	June 1989	Founded Intelligence, Ltd. (present PERSOL CAREER CO., LTD.)
	September 1989	Director of Intelligence, Ltd.
	January 2008	Representative Director & President & Owner of Rakuten Baseball, Inc.
	November 2014	Representative Director of Rakuten, Inc.
	June 2016	Outside Director of the Company (present post)
	March 2017	Vice President, Director & COO of U-NEXT Co., Ltd.
	December 2017	Vice President, Director & COO of USEN-NEXT HOLDINGS Co., Ltd. (present post)
	June 2019	Outside Director of MITANI SANGYO Co., Ltd. (present post)
	February 2020	Outside Director of Visional Co., Ltd. (present post)
		To present

Toru Shimada is an Outside Director of the Company. He is scheduled to be reelected as an Outside Director of the Company upon approval of the proposal regarding election of Directors at this Annual General Meeting of Shareholders.

He does not have any special interest in the Company. The Company has designated him as an independent executive stipulated by the Tokyo Stock Exchange, and registered them with the exchange as such.

## Major Shareholders of the Company

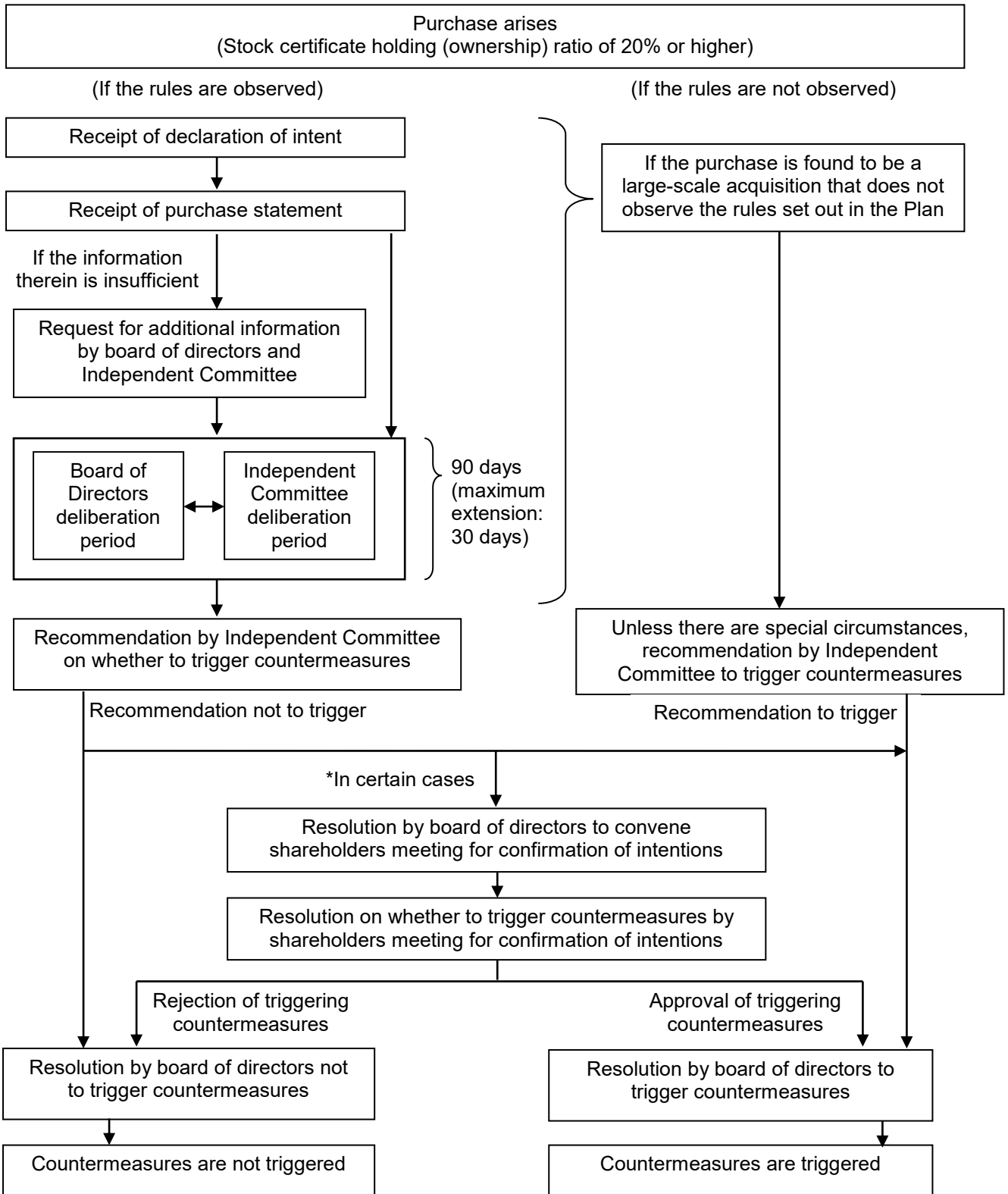
Following is an outline of major shareholders of the Company as of March 31, 2021.

Name	Investment in the Company	
	Number of shares (thousand of shares)	Ratio of shares (%)
Masataka Okuda	5,910	14.3
Koki Okuda	5,498	13.3
transcosmos foundation	3,753	9.0
Custody Bank of Japan, Ltd. (Account in Trust)	3,240	7.8
The Master Trust Bank of Japan, Ltd. (Account in Trust)	1,603	3.9
Mihoko Hirai	1,463	3.5
GOVERNMENT OF NORWAY	947	2.3
Limited company HM Kosan	722	1.7
Employee Shareholding Association of transcosmos inc.	655	1.6
THE BANK OF NEW YORK MELLON 140044	532	1.3

- Notes: 1. Other than the above, the Company retains 7,319 thousand shares of its own stock but is excluded from the above list of top 10 shareholders, and the ratio of shares was calculated excluding the number of shares retained by the Company.  
2. Number of shares less than one thousand is rounded down to the nearest thousand.  
3. Shareholding ratio is rounded off to two decimal places.

End

Flow Chart Concerning Procedures of the Plan



\*(i) If the Independent Committee attaches a reservation that the approval of the shareholders meeting should be received in advance when implementing the Gratis Allocation of Stock Acquisition Rights, or when it makes a recommendation to confirm the shareholders' intentions regarding the purchase of the purchaser, or (ii) if there is uncertainty regarding whether a purchase falls under trigger event 2, and taking into consideration the time, etc. required to hold a shareholders meeting, the board of directors determines that it is appropriate in light of its duty of care to confirm the intentions of the shareholders

Note: This flow chart omits certain details in order to provide a clear explanation summarizing the flow of procedures pertaining to the Plan. Please refer to the body of the press release for the detailed contents of the Plan.