



including those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition, or for the target company's board of directors to make an alternative proposal and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

The Company places value on client satisfaction and strives to ensure and enhance its corporate value. We believe the source of corporate value of the Company is found in (i) the comprehensive "IT utilization capabilities" that the Company has accumulated since its establishment as a pioneer in the outsourcing business of information processing, (ii) the "personnel" who can promptly respond to changes in the environment and combine the latest technology, making use of originality and ingenuity, and (iii) "the stable and long-term relationships of trust with clients" established based on its strength as an independent corporation. Unless the acquirer of the shares in the Company understands the source of the corporate value of the Company and would ensure and enhance these elements over the medium-to-long term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed.

The Company believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against an inappropriate large-scale acquisition by such persons.

## **II. The Sources of the Company's Corporate Value and Special Measures to Realize the Basic Policy**

### **1. The Sources of the Company's Corporate Value**

Since its founding in 1966, the Company has endeavored to enhance the competitiveness of client companies by uniting "people & technology"; namely, outstanding "people" with the latest "technical capabilities," to provide more valuable services under a management philosophy which asserts that "client satisfaction is the true value of our company, and the growth of each of our employees creates the value that shapes 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 us to become an information processing outsourcer. Since then, we have expanded our business domain together with the changing 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 concerning computers that we cultivated through our data entry operations, and we are currently developing contact center services and business process outsourcing services. Additionally, in the 1990s, when Internet usage started becoming widespread, 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 Japanese 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 developed in Japan to a global audience. Through these efforts, our Company has established outstanding business operations which respond to the diversity of global markets by combining the people and technology that are best suited for each market. Further, with our speedy, cost-effective, and accurate operational capabilities, we have established a top-class position in Asia as a BPO provider that optimizes the business processes of clients and drives their transformation. This has been accomplished through a service philosophy that advances conditions which ensure that clients have highly competitive business processes that ultimately become the sources of their competitive strengths (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, for the personnel that support our business, we will continue contributing to the development of the global economy and society through ongoing initiatives for ESG issues, including embracing the promotion of diversity such as supporting the active participation and inclusion of female employees, advancing the employment of people with disabilities, and actively hiring local personnel from overseas. It is efforts such as these which form the foundation for achieving broad customer satisfaction and establishing stable long-term relationships of trust with clients to support the creation of corporate value for our Company.

## **2. Efforts for increasing our corporate value**

Amidst the backdrop of advances in digital technology and a prolonged labor shortage, demand for the outsourcing services offered by the Company group remains firm. In particular, demand is growing for services that help promote digital transformation (DX) and solve issues to improve the customer experience (CX), the need for which was reconfirmed in the wake of the COVID-19 pandemic.

Under these circumstances, the Company is developing our business with a one-of-a-kind service portfolio that has CX services and BPO services as its two key pillars. Specifically, in CX services, we contribute to our client's sales expansions by providing end-to-end services ranging from marketing to customer care, while in BPO services we support our clients in strengthening their business foundations and optimizing costs through digital BPO, which unifies our expertise and digital technology.

In order to support innovative changes for our clients with the above-mentioned "people & technology" at the core of our business, we have worked to achieve a high growth rate and profitability with the aim of becoming a "Global Digital Transformation Partner." In addition, the Company has achieved significant business results from 2020, even in the midst of the global COVID-19 pandemic, by leveraging our large-scale business execution capabilities to proactively develop business support related to infection control policies promoted by governments, municipalities, and private companies. As a result of these efforts, we were able to achieve record-high sales and operating incomes in FY 2021, as well as a significant improvement in overall business profitability.

The Company group's long-term goal is to achieve sales of one trillion yen, and to this end we must further evolve our services and businesses. We must meet the expectations of our clients that are working to make innovations in their front and back office operations and to accelerate expansion into overseas markets, which offer the greatest growth opportunities, by further strengthening our various business expertise and ability to handle multiple communication channels, increasing our abilities to respond to global clients, expanding our geographic area and service coverage, and promoting company-wide personnel development and enhancement.

Based on these ideas, our new Medium-Term Business Plan sets out our vision to "evolve to a technology solutions company from a company with operational excellence," "become an unparalleled leader in Asia and a Top 5 global CX/BPO services player," and "meet all stakeholder expectations including clients, employees and shareholders, and serve society," and in order to realize this vision, we have formulated and been working on the following as our important strategies: platformization of our business model and standardization of our services; reinforcement of our structure and talent development to achieve growth in the global market; development of next-generation services; and improvement of the group's management foundation. Through the initiatives in this new Medium-Term Management Plan, we will continue to evolve to become a "Global Digital Transformation Partner" that brings the best customer experience and productivity innovation to our clients and contributes to the realization of a sustainable society.

## **3. Reinforcement of Corporate Governance**

The Company has adopted the corporate governance system of a company with an audit and supervisory committee in order to make appropriate business decisions and operate our business in a time-efficient manner, and to establish a management system that allows the Company to perform appropriate audit and oversight functions. Being a company with an audit and supervisory committee, the Company continues to ensure the effectiveness of our corporate governance by taking into consideration its operational needs.

In terms of management by the Board of Directors, the directors who comprise the Board of Directors hold active discussions providing opinions based on their individual assessments, and advice is obtained from outside directors, which is given from a standpoint that is independent from the Company's management, 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 "management 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 monitors whether internal control systems are being properly constructed and operated. In this way, as well as through other means, the Audit and Supervisory Committee conducts audits of the Company and its domestic and overseas subsidiaries, as well as audits of the execution of duties by the directors.

The Company has established the Nomination Committee and the Remuneration Committee, the majority of whose members are independent outside directors and in which an independent outside director serves as the chairperson, with respect to the nomination of director candidates, remuneration, and other matters related to directors (excluding directors who are members of the Audit and Supervisory Committee). The Nomination Committee and the Remuneration Committee deliberate on the nomination of director candidates, remuneration, and other matters related to directors (excluding directors who are members of the Audit and Supervisory Committee), respectively, and report the results thereof to the Board of Directors. In addition, the Audit and Supervisory Committee oversees the decision-making process for the nomination and remuneration 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 invited outside lecturers.

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

### **III. Purpose and Details of the Plan**

#### **1. Purpose of the Plan**

The Plan is in line with the Basic Policy set out in I above for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders.

As set out in the Basic Policy, the Company's Board of Directors believes that persons who would propose a large-scale acquisition in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate, to deter large-scale acquisitions of the shares in the Company that are detrimental to the corporate value of the Company and, in turn, the common interests of its shareholders, and on the occasion that a large-scale acquisition of the shares in the Company were to be effected, to enable the Company's Board of Directors to present an alternative proposal to the shareholders or to ensure the necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition, and to negotiate for the benefit of the shareholders.

The Company has not received any notice or proposal of a large-scale acquisition of the shares in the Company from any specific third parties.

#### **2. Plan Outline**

The Plan sets out procedures necessary to achieve the purpose stated above, including requirements for acquirers to provide information in advance in the case that the acquirer intends to make an acquisition of 20% or more of the Company's share certificates or other equity securities.

The acquirer must not effect a large-scale acquisition of the shares and other equity securities in the Company until and unless the Company's Board of Directors determines not to trigger the Plan in accordance with the procedures for the Plan.

In an event such as when an acquirer does not follow the procedures set out in the Plan, or a large-scale acquisition of shares and other equity securities in the Company could harm the corporate value of the Company and the common interests of its shareholders and if the acquisition satisfies the triggering requirements set out in the Plan, the Company will implement a gratis allotment of share options (*shinkabu yoyakuken mushou wariate*) with (a) an exercise condition that does not, as a general rule, allow the acquirer, etc. to exercise the rights and (b) an acquisition provision to the effect that the Company may acquire the share options in exchange for the Company's shares from persons other than the acquirer, etc. or other reasonable measures that can be taken under laws and ordinances and the Articles of Incorporation of the Company. If a gratis allotment of share options were to take place in accordance with the Plan and all shareholders other than the acquirer received the Company's shares as a result of those shareholders exercising or the Company acquiring those share options, the ratio of voting rights in the Company held by the acquirer may be diluted by up to a maximum of approximately 50%.

In order to eliminate arbitrary decisions by directors regarding decisions on matters such as the implementation or non-implementation of the gratis allotment of share options or the acquisition of share options, the Company has established an Independent Committee, which is solely composed of outside directors and other members who are independent from the management of the Company, and such decisions will be subject to the objective determination of the Independent Committee. In addition, the Company's Board of Directors may, if prescribed in the Plan, convene a general meeting of shareholders and confirm the intent of the Company's shareholders.

Transparency with respect to the course of those procedures will be ensured by timely disclosure to all of the Company's shareholders.

### **3. Plan Details (Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by Persons Deemed Inappropriate Under the Basic Policy)**

#### **3.1 Procedures for Triggering the Plan**

##### **(a) Targeted Acquisitions**

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under any of (I) through (III) below or any similar action (including a proposal<sup>1</sup> for such action) (except for such action as the Company's Board of Directors separately determines not to be subject to the Plan; the "Acquisition") takes place.

- (I) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariai*)<sup>2</sup> of a holder (*hoyuusha*)<sup>3</sup> totaling 20% or more of the share certificates, etc. (*kabuken tou*)<sup>4</sup> issued by the Company; or
- (II) A tender offer (*koukai kaitsuke*)<sup>5</sup> that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariai*)<sup>6</sup> and the ownership ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*)<sup>7</sup>

<sup>1</sup> A "proposal" includes any act that solicits a third party for conducting an Acquisition.

<sup>2</sup> Defined in Article 27-23.4 of the Financial Instruments and Exchange Act. The same applies throughout this document.

<sup>3</sup> Including persons described as a holder under Article 27-23.3 of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors of the Company). The same applies throughout this document.

<sup>4</sup> Defined in Article 27-23.1 of the Financial Instruments and Exchange Act. The same applies throughout this document unless otherwise provided for.

<sup>5</sup> Defined in Article 27-2.6 of the Financial Instruments and Exchange Act. The same applies throughout this document.

<sup>6</sup> Defined in Article 27-2.8 of the Financial Instruments and Exchange Act. The same applies throughout this document.

<sup>7</sup> Defined in Article 27-2.7 of the Financial Instruments and Exchange Act (including persons who are deemed to fall under

totaling 20% or more of the share certificates, etc. (*kabuken tou*)<sup>8</sup> issued by the Company.

- (III) Regardless of whether or not any one of the acts provided for in items (I) and (II) above is conducted, an act (i) conducted between (a) a person who intends to acquire share certificates, etc. of the Company, or a joint holder (*kyoudou hoyuusha*)<sup>9</sup> or a person having a special relationship with respect to that person (each, an “Acquirer of Share Certificates, Etc.” in this item (III)) and (b) another shareholder of the Company (including multiple shareholders; the same applies in (III) below) and that constitutes an agreement or other act as a result of which the other shareholder(s) become(s) a joint holder of the Acquirer of Share Certificates, Etc. or any act that establishes a relationship<sup>10</sup> whereby the Acquirer of Share Certificates, Etc. or the other shareholder(s) substantially control(s) the other(s) or they act jointly or in concert with each other<sup>11</sup>, and (ii) that would result in the total holding ratio of share certificates, etc. issued by the Company of that Acquirer of Share Certificates, Etc. and the other shareholder(s) accounting for 20% or more.

The party intending to make the Acquisition alone or jointly or in concert with other parties (the “Acquirer”) shall follow the procedures set out in the Plan, and the Acquirer must not effect the Acquisition until and unless the Company’s Board of Directors resolves not to implement the gratis allotment of share options (the principal terms of which are set out in 3.3 ‘Outline of the Gratis Allotment of Share Options’; such share options are hereinafter referred to as the “Share Options”) or other measures in accordance with the Plan.

(b) Submission of Acquirer’s Statement

The Company will request the Acquirer to submit to the Company in the form separately prescribed by the Company a legally binding document that includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (signed by or affixed with the name and seal of the representative of the Acquirer and to which no conditions or reservations are attached) and a qualification certificate of the person who signed or affixed its name and seal to that document (collectively, “Acquirer’s Statement”) before commencing or effecting the Acquisition. The Acquirer’s Statement must include the name, address or location of headquarters, location of offices, governing law for establishment, name of the representative, contact information in Japan for the Acquirer and the outline of the intended Acquisition. The Acquirer’s Statement and the Acquisition Document set out in (c) below and any other materials submitted by the Acquirer to the Company or the Independent Committee must be written in Japanese.

(c) Request to the Acquirer for the Provision of Information

The Company will provide the Acquirer the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than 10 business days after receiving the Acquirer’s Statement. The Acquirer must provide the Company’s Board of Directors with the document in the form provided by the Company (the “Acquisition Document”), which includes the information described in each item of the list below (“Essential Information”).

If the Company’s Board of Directors receives the Acquisition Document, it will promptly send it to the Independent Committee (standards for appointing members, requirements for resolutions, resolution

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the above by the Board of Directors of the Company); provided, however, that persons provided for in Article 3.2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, Etc. by Person other than Issuer are excluded from the persons described in Article 27-2.7(i) of the Financial Instruments and Exchange Act. The same applies throughout this document.

<sup>8</sup> Defined in Article 27-2.1 of the Financial Instruments and Exchange Act.

<sup>9</sup> Defined in Article 27-23.5 of the Financial Instruments and Exchange Act, including persons regarded as a joint holder under Article 27-23.6 of the Financial Instruments and Exchange Act (including persons who are deemed a joint holder by the Company’s Board of Directors). The same applies throughout this document.

<sup>10</sup> Judgment regarding whether a “relationship whereby an Acquirer of Share Certificates, Etc. or the other shareholder(s) substantially control(s) the other(s) or they act jointly or in concert with each other” has been established between them will be made based on certain factors such as the current or past capital relationship (including a relationship of joint control), business alliance relationship, business or contractual relationship, relationship of interlocking directorate, financing relationship, and credit granting relationship, and currently or in the past having a beneficial interest in the Company’s share certificates, etc. through derivatives, stock lending, and other transactions, and direct or indirect effects on the Company caused by that Acquirer of Share Certificates, Etc. and the other shareholder(s).

<sup>11</sup> Judgment regarding whether an act specified in item (III) of the main text has been conducted will be reasonably made by the Company’s Board of Directors respecting the determination of the Independent Committee. Please note that the Company’s Board of Directors may request the Company’s shareholders to provide necessary information to the extent that is required for making a judgment regarding whether the relevant act satisfies the requirements prescribed in (III) of the main text.

matters, and other matters concerning the Independent Committee are as described in Attachment 1 'Outline of the Rules of the Independent Committee' and business backgrounds and other matters regarding members of the Independent Committee at the time of the Renewal will be as described in Attachment 2 'Profiles of the Members of the Independent Committee'). If the Independent Committee determines that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period and request that the Acquirer additionally provide information. In such case, the Acquirer should additionally provide such information within the relevant time limit.

- (i) Details (including name, capital relationship, financial position, operation results, details of violation of laws or ordinances in the past (if any), terms of previous transactions by the Acquirer similar to the Acquisition) of the Acquirer and its group (including joint holders, persons having a special relationship and persons having a special relationship with a person in relation to whom the Acquirer is the controlled corporation<sup>12</sup><sup>13</sup>).
  - (ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timeframe, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
  - (iii) The amount and basis for the calculation of the purchase price of the Acquisition.
  - (iv) Details of agreements regarding share certificates, etc. of the Company between the Acquirer and a third party and information relating to any previous acquisition or disposal of the share certificates, etc. of the Company by the Acquirer.
  - (v) Financial support for the Acquisition (specifically including the names of providers of funds for the Acquisition (including all indirect providers of funds), financing methods, and the terms of any related transactions).
  - (vi) Details of communications regarding the Acquisition with a third party (if any).
  - (vii) Post-Acquisition management policy, administrative organization, business plan, capital and dividend policies for the Company group.
  - (viii) Post-Acquisition policies for the Company's shareholders (other than the Acquirer) and the employees, business partners, customers, and any other stakeholders in the Company group.
  - (ix) Specific measures to avoid any conflict of interest with other shareholders of the Company.
  - (x) Information on any relationships with an anti-social force.
  - (xi) Any other information that the Company's Board of Directors or the Independent Committee reasonably considers necessary.
- (d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

(i) Request to the Company's Board of Directors for the Provision of Information

If the Independent Committee reasonably determines that the Acquirer has submitted the Acquisition Document and any other information (including additional information that is required to be submitted; hereinafter the same), it may set a reply period (the "Board of Directors Consideration Period") as appropriate and request that the Company's Board of Directors present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer's Acquisition terms, materials supporting such opinion, an alternative proposal (if any), and any other information, etc. that the Independent Committee considers necessary.

(ii) Independent Committee Consideration

If the Independent Committee determines that the Acquirer has sufficiently submitted the Acquisition Document and any other information, etc., it will conduct its consideration of the Acquisition terms, collection of information, etc. on the materials such as the management plans and business plans of the Acquirer and the Company's Board of Directors and comparisons thereof, and consideration of any alternative plan presented by the Company's Board of Directors, and the like for a period of 90 days after

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<sup>12</sup> Defined in Article 9.5 of the Order for Enforcement of the Financial Instruments and Exchange Act.

<sup>13</sup> If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.

the receipt of the information, etc. (including the Board of Directors Consideration Period, the “Independent Committee Consideration Period”).

In order to ensure that the determination of the Independent Committee is made in a way that it will contribute to the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee may, at the cost of the Company, obtain advice from financial advisers, certified public accountants, attorneys, certified public tax accountants, consultants, or any other experts.

In addition, if it is necessary to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee shall directly or indirectly discuss and negotiate with the Acquirer. If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

The Independent Committee may, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer’s Acquisition, consideration of an alternative proposal and negotiation with the Acquirer, extend the Independent Committee Consideration Period (up to 30 days in total).

(e) Recommendation by the Independent Committee

In cases such as where the Independent Committee determines that the Acquisition falls under one of the trigger events set out below in 3.2, ‘Requirements for the Gratis Allotment of Share Options, Etc.’ (including Quasi Trigger Events set out in 3.2, collectively, “Trigger Events”), the Independent Committee will recommend the implementation of the gratis allotment of the Share Options or other reasonable measures that can be taken under laws and regulations and the Company’s Articles of Incorporation<sup>14</sup> (collectively, the “Gratis Allotment of Share Options, Etc.”) to the Company’s Board of Directors except in any specific cases such as where further disclosure of information by the Acquirer or negotiation or discussion with the Acquirer is necessary. The Independent Committee may recommend implementation of the Gratis Allotment of Share Options, Etc. subject to confirming the shareholders’ intent in advance or subsequently.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Share Options, if the Independent Committee determines that either of the events in (A) or (B) below applies, it may make a new recommendation that (i) on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Share Options, the Company should suspend the gratis allotment of Share Options, or (ii) from the effective date of the gratis allotment of Share Options and until the day immediately prior to the commencement date of the exercise period of the Share Options, the Company should acquire the Share Options for no consideration.

- (A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.<sup>15</sup>
- (B) There is no longer any Trigger Event due to a change or the like in the facts or other matters on which the recommendation decision was made.

On the other hand, if the Independent Committee does not reach a determination that the Acquisition falls under either Trigger Event, the Independent Committee will not recommend the implementation of the Gratis Allotment of Share Options, Etc. to the Company’s Board of Directors.

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<sup>14</sup> Specifically, measures such as passing a resolution at a general meeting of shareholders to require the Acquirer to cancel the Acquisition are expected to be taken.

<sup>15</sup> This would apply, for example, when the Acquirer cancels or withdraws an Acquisition that has already commenced (if the Acquisition is conducted by means of a tender offer, a public notice of the withdrawal of a tender offer (the main text of Article 27-11.2 of the Financial Instruments and Exchange Act) is required) and then a document to the effect that the Acquirer covenants such matters as that (i) the Acquisition will not be effected for a certain period, (ii) the Acquirer will reduce its holding ratio of share certificates, etc. to a certain percentage within a specific period, and (iii) the Acquirer will not exercise its right to demand convocation of an extraordinary general meeting of shareholders for a certain period is submitted and the Acquirer acts in compliance with the written covenant.

Notwithstanding the forgoing, even after such decision, if there is a change in the facts or other matters on which the decision was made and the Acquisition comes to fall under a Trigger Event, the Independent Committee may make a new recommendation that the Company should implement the Gratis Allotment of Share Options, Etc.

In addition, if the Independent Committee determines that there is a possibility that the Acquisition could harm the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee may, by submitting the reasons therefor, make a recommendation such as holding a meeting of shareholders and confirming the shareholders' intent regarding the Acquisition by the Acquirer.

(f) Resolutions by the Board of Directors

If the Shareholders Meeting is held in accordance with (g) below, the Company's Board of Directors will pass a resolution in accordance with the resolution at the Shareholders Meeting. In addition, if the Shareholders Meeting is not held, the Company's Board of Directors, in exercising its role under the Companies Act, will pass a resolution relating to the implementation or non-implementation of the Gratis Allotment of Share Options, Etc. respecting the recommendation of the Independent Committee in accordance with (e) above to the maximum extent.

(g) Holding of the Shareholders Meeting

The Company's Board of Directors may convene a meeting of shareholders (the "Shareholders Meeting" <sup>16</sup>) and confirm the intent of the Company's shareholders if (i) the Independent Committee recommends implementation of the Gratis Allotment of Share Options, Etc. subject to confirming the shareholders' intent in advance or recommends confirmation of the shareholders' intent regarding the Acquisition by the Acquirer in accordance with (e) above, or (ii) the Company's Board of Directors believes that it should implement the Gratis Allotment of Share Options, Etc. and determines it appropriate to confirm the shareholders' intent taking into consideration the time required to hold the Shareholders Meeting or other matters pursuant to the duty of care of a director<sup>17</sup>.

(h) Information Disclosure

When operating the Plan, the Company will disclose, in a timely manner, information on matters that the Independent Committee or the Company's Board of Directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and Acquisition Document have been submitted, the Independent Committee Consideration Period has commenced, and the Independent Committee Consideration Period has been extended), or an outline of recommendations made by the Independent Committee and an outline of resolutions by the Board of Directors, in accordance with the applicable laws and ordinances or the regulations of the financial instruments exchange.

### 3.2 Requirements for the Gratis Allotment of Share Options, Etc.

The requirements to trigger the Plan to implement a gratis allotment of Share Options are as follows. As described above in (e) of 3.1, 'Procedures for Triggering the Plan,' the Company's Board of Directors will make a determination as to whether any of the following requirements applies to an Acquisition for which the recommendation by the Independent Committee has been obtained.

#### Trigger Event (1)

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases that time and information necessary to consider the details of the Acquisition is not offered) and it is

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<sup>16</sup> The "Shareholders Meeting" includes not only a shareholders meeting under the Companies Act where shareholders resolve statutory matters for resolution set out in Article 295 of the Companies Act, but also a meeting where advisory resolutions regarding matters other than the statutory matters for resolution set out in Article 295 of the Companies Act are made. In addition, the Shareholders Meeting includes a meeting of shareholders that is held after a resolution of the Board of Directors to implement the gratis allotment of Share Options and before the effective date of the gratis allotment of Share Options.

<sup>17</sup> Although as a general rule the intent of shareholders will be confirmed by an ordinary resolution at the Shareholders Meeting, in some cases a person who is deemed by the Acquirer and the Independent Committee to have a special interest in the Acquirer in relation to the proposal in question by comprehensively taking into account various circumstances, including the purpose, method, and terms of the Acquisition as well as the potential conflicts of interest between the Acquirer and general shareholders (such a person, a "Specially Related Party of the Acquirer"), will be excluded from the calculation of a requirement for passing a resolution to approve the proposal.

reasonable to implement the gratis allotment of Share Options.

#### Trigger Event (2)

The Acquisition falls under any of the following and it is reasonable to implement the gratis allotment of Share Options.

- (a) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through any of the following actions.
  - (i) A buyout of share certificates, etc. to require such share certificates, etc. to be compulsorily purchased by the Company or the Company's affiliates, etc. at a high price.
  - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company group's material assets.
  - (iii) Diversion of the Company group's assets to secure or repay debts of the Acquirer or its group company.
  - (iv) Temporary control of the Company's management to bring about the disposal of high-value assets that have no current relevance to the Company group's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (b) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).
- (c) Acquisitions to which the terms (including the amount and type of consideration, timeframe, legality of the Acquisition method, feasibility of the Acquisition being effected, and post-Acquisition policies for the Company's other shareholders, and the employees, customers, business partners and any other stakeholders in the Company group) are inadequate or inappropriate in light of the Company's intrinsic value.
- (d) Acquisitions that materially threaten to oppose the corporate value of the Company and, in turn, the common interests of shareholders, by destroying the relationships with the Company group's employees, customers, business partners and the like, which are indispensable to the generation of the Company's corporate value.

In addition to the above, the Company may take the reasonable measures that can be taken under laws and ordinances and the Company's Articles of Incorporation as an invocation of the Plan if any requirement similar to a Trigger Event stated above is satisfied and it is reasonable to trigger the Plan (such event is hereinafter referred to as a "Quasi Trigger Event" in the Plan). Even in this case, the decision is always made through the recommendation of the Independent Committee as set out above in (e) of 2.1, 'Procedures for Triggering the Plan.'

### 3.3 Outline of the Gratis Allotment of Share Options

The following is an outline of the gratis allotment of Share Options that may be implemented under the Plan.

#### (a) Number of Share Options

The Company will implement a gratis allotment of Share Options in the same number as the most recent total number of issued and outstanding shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the "Allotment Date") that is separately determined in a resolution by the Company's Board of Directors or a resolution at a meeting of shareholders relating to the gratis allotment of Share Options (the "Gratis Allotment Resolution").

#### (b) Shareholders Eligible for Allotment

The Company will allot the Share Options to shareholders, other than the Company, who are

recorded in the Company's final register of shareholders on the Allotment Date (the "Entitled Shareholders"), at a ratio of one Share Option for each share in the Company held.

(c) Effective Date of Gratis Allotment of Share Options

The effective date of the gratis allotment of Share Options will be separately determined in the Gratis Allotment Resolution.

(d) Number of Shares to be Acquired upon Exercise of the Share Options

The number of shares in the Company to be acquired upon exercise of each Share Option (the "Applicable Number of Shares") will, in principle, be one share.

(e) Amount to be Contributed upon Exercise of Share Options

Contributions upon exercise of the Share Options are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Share Options will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company. "Fair market value" means an amount equivalent to the average closing price (including quotations) for regular transactions of the common stock of the Company on the Tokyo Stock Exchange on each day during the ninety day period prior to the Gratis Allotment Resolution (excluding the days on which trades are not made), with any fraction of a yen after such calculation to be rounded up to the nearest whole yen.

(f) Exercise Period of the Share Options

The commencement date will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period is referred to as the "Exercise Period Commencement Date"), and the period will, in principle, be a period from one month to six months long as separately determined in the Gratis Allotment Resolution.

(g) Conditions for Exercise of Share Options

As a general rule, the following parties may not exercise the Share Options (the parties falling under (I) through (V) below are collectively referred to as "Non-Qualified Parties"):

- (I) Acquirers;
- (II) Joint holders of Acquirers;
- (III) Persons having a special relationship with Acquirers;
- (IV) Any transferee of, or successor to, the Share Options of any party falling under (I) through (III) without the approval of the Company's Board of Directors (including joint holders of or persons having a special relationship with the transferee or successor); or
- (V) Any Affiliated Party<sup>18</sup> of any party falling under (I) through (IV).

Please note that the Company's Board of Directors will hear the opinion of the Independent Committee and respect the determination of the Independent Committee to the maximum extent when making a determination regarding whether a person is a Non-Qualified Party.<sup>19</sup>

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Share Options may not as a general rule exercise the Share Options (provided, however, that the Share Options held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company as set out in (ii) of paragraph (i) below, 'Acquisition of the Share Options by the Company,' subject to confirmation that such acquisition does not conflict with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in the

<sup>18</sup> An "Affiliated Party" of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Company's Board of Directors), or a party deemed by the Company's Board of Directors to act jointly or in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3.3 of the Enforcement Regulations of the Companies Act) of other corporations or entities.

<sup>19</sup> However, a party that the Company's Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or a certain other party that the Company's Board of Directors separately determines in the Gratis Allotment Resolution does not constitute a Non-Qualified Party.

form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Share Options, indemnity clauses and other covenants, may not exercise the Share Options.

(h) Assignment of Share Options

Any acquisition of the Share Options by assignment requires the approval of the Company's Board of Directors.

(i) Acquisition of Share Options by the Company

(i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Company's Board of Directors deems that it is appropriate for the Company to acquire the Share Options, the Company may, on a day that falls on a date separately determined by the Company's Board of Directors, acquire all of the Share Options for no consideration.

(ii) On a day that falls on a date separately determined by the Company's Board of Directors, the Company may acquire all of the Share Options that have not been exercised before or on the day immediately prior to such date determined by the Company's Board of Directors, that are held by parties other than Non-Qualified Parties and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for each Share Option.

Further, if, on or after the date upon which the acquisition takes place, the Company's Board of Directors recognizes the existence of any party holding Share Options other than Non-Qualified Parties, the Company may, on a day falling on a date determined by the Company's Board of Directors after the date upon which the acquisition described above takes place, acquire all of the Share Options held by that party that have not been exercised by or on the day immediately prior to such date determined by the Company's Board of Directors (if any) and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for every one Share Option. The same will apply thereafter.

(iii) On a date that is on or after the effective date of the gratis allotment of Share Options and separately determined by the Board of Directors, the Company may acquire all of the Share Options held by Non-Qualified Parties and, in exchange, deliver share options that may not, as a general rule, be exercised by Non-Qualified Parties<sup>20</sup> as consideration in the number equal to the Share Options to be acquired. In addition, with respect to such share options, acquisition provisions such as a provision stipulating that in certain cases the Company may acquire such share options after a certain period has passed by delivering reasonable consideration may be provided. The details of such share options will be determined in the Gratis Allotment Resolution.

(iv) Other matters regarding acquisitions will be separately determined in the Gratis Allotment Resolution.

(j) Delivery of Share Options in Case of Merger, Absorption-type Demerger (*kyushu bunkatsu*), Incorporation-type Demerger (*shinsetsu bunkatsu*), Share Exchange (*kabushiki koukan*), and Share Transfer (*kabushiki iten*)

These matters will be separately determined in the Gratis Allotment Resolution.

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<sup>20</sup> However, the Company may set a condition that Non-Qualified Parties may exercise such share options in certain cases. Specifically, the Company may, for example, stipulate such matters as that the Acquirer or other Non-Qualified Parties may exercise share options held by them within a certain percentage if the Acquirer cancels or withdraws an Acquisition that has already commenced (if the Acquisition is conducted by means of a tender offer, a public notice of the withdrawal of a tender offer (the main text of Article 27-11.2 of the Financial Instruments and Exchange Act) is required) and then a document to the effect that the Acquirer covenants such matters as that (i) the Acquisition will not be effected for a certain period, (ii) the Acquirer will reduce its holding ratio of share certificates, etc. to a certain percentage within a specific period, and (iii) the Acquirer will not exercise its right to demand convocation of an extraordinary general meeting of shareholders for a certain period is submitted and the Acquirer acts in compliance with the written covenant.

- (k) Issuance of Certificates Representing the Share Options  
Certificates representing the Share Options will not be issued.

- (l) Other

In addition to the above, the details of the Share Options will be separately determined in the Gratis Allotment Resolution.

### 3.4 Procedures for the Renewal

In accordance with the provisions of Article 35 of the Company's Articles of Incorporation, the Renewal will be subject to obtaining shareholder approval at the 39th Ordinary General Meeting of Shareholders with respect to assigning to the Company's Board of Directors the authority to decide matters relating to a gratis allotment of Share Options under the conditions set out in the Plan.

### 3.5 Effective Period, Abolition, and Amendment of the Plan

The effective period of the Plan will be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the conclusion of the 39th Ordinary General Meeting of Shareholders.

However, if, before the expiration of the Effective Period, the Company's Board of Directors resolves to abolish the Plan, the Plan will be abolished in accordance with that resolution.

Further, the Company's Board of Directors may revise or amend the Plan even during the Effective Period of the Plan, if such revision or amendment is not against the purpose of a resolution of the 39th Ordinary General Meeting of Shareholders such as cases where any law, ordinance, or regulations of a financial instruments exchange or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, cases where the revision or amendment does not cause any disadvantage to the Company's shareholders, and the like, and subject to the approval of the Independent Committee.

If the Plan is abolished, revised or amended, the Company will promptly disclose facts including the fact that such abolition, revision or amendment has taken place, and (in the event of a revision or amendment) the details of the revision, amendment and any other matters.

### 3.6 Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of May 15, 2024. If it becomes necessary after such date to revise the terms and conditions or definitions of terms set out in the paragraphs above due to the establishment, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such establishment, amendment or abolishment.

## 4. Impact on Shareholders and Investors

### 4.1 Impact on Shareholders and Investors Upon the Renewal

Upon the Renewal, since only the assignment to the Company's Board of Directors of the authority to decide matters relating to a gratis allotment of Share Options based on a resolution at a general meeting of shareholders and no actual gratis allotment of Share Options will be implemented, the Plan will have no direct or concrete impact on shareholders and investors.

### 4.2 Impact on Shareholders and Investors at the Time of the Gratis Allotment of Share Options

- (i) Procedures for Shareholders upon Gratis Allotment of Share Options

If the Company's Board of Directors or general meeting of shareholders adopts a Gratis Allotment Resolution, it will also decide the Allotment Date in the same resolution and give public notice of this Allotment Date. In this case, the Company will make a gratis allotment of Share Options to the Entitled

Shareholders for one Share Option per share in the Company held by the Entitled Shareholders. All Entitled Shareholders will automatically become Share Option holders on the effective date of the gratis allotment of Share Options, and no further procedures, such as applying for such gratis allotment, will be necessary.

In addition, even if the Company's Board of Directors has adopted a Gratis Allotment Resolution, the Company may, by respecting any recommendation of the Independent Committee described above in (e) of 3.1, 'Procedures for Triggering the Plan,' to the maximum extent, (i) on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Share Options, cancel the gratis allotment of Share Options, or (ii) from the effective date of the gratis allotment of Share Options and until the day immediately prior to the commencement date of the exercise period of the Share Options, acquire the Share Options for no consideration. In such cases, no dilution of the value per share in the Company held by the shareholders will result, and it is possible that any investors who have sold or bought the shares in the Company expecting to see such a dilution will be commensurately affected as a result of a fluctuation in the share price.

(ii) Procedures for Exercising Share Options

The Company will deliver, as a general rule, a document necessary to be submitted for the exercise of the Share Options (in the form prescribed by the Company and containing necessary matters such as the terms and number of the Share Options for exercise and the exercise date for the Share Options, as well as representations and warranties regarding matters such as that the shareholders themselves satisfy the exercise conditions of the Share Options, indemnity clauses and other covenants, and information necessary to allocate shares of the Company to the account of the Entitled Shareholders) and other necessary documents to the Entitled Shareholders. After the gratis allotment of Share Options, the shareholders will be issued, as a general rule, one share in the Company per Share Option upon submitting these necessary documents during the exercise period of Share Options and, as a general rule, by paying via a prescribed method an amount equivalent to the exercise price determined in the Gratis Allotment Resolution, which will be an amount within the range of one yen and one-half of the fair market value of the Company's stock per Share Option. The exercise of Share Options by the Non-Qualified Parties must follow the Company's separate determination in accordance with (g) of 3.3, 'Outline of the Gratis Allotment of Share Options.'

If the Company's shareholders do not exercise their Share Options or pay the amount equivalent to the exercise price, the shares they hold in the Company will be diluted by the exercise of Share Options by other shareholders.

However, it is also possible for the Company to acquire the Share Options of all shareholders other than Non-Qualified Parties and, in exchange, deliver shares in the Company, in accordance with the procedures set out in (iii) below. If the Company carries out such acquisition procedures, all shareholders other than Non-Qualified Parties will come to receive shares in the Company without exercising their Share Options or paying an amount equivalent to the exercise price and, in principle, there will be no subsequent dilution of the shares in the Company they hold.

(iii) Procedures for the Acquisition of Share Options by the Company

If the Company's Board of Directors determines to acquire the Share Options, the Company will acquire the Share Options in accordance with the statutory procedures from the shareholders other than Non-Qualified Parties, on the day that falls on the date separately determined by the Company's Board of Directors and deliver shares in the Company in exchange. In this case, the shareholders concerned will, in principle, come to receive one share in the Company for each Share Option as consideration for the acquisition by the Company of those Share Options, without paying an amount equivalent to the exercise price. However, in such case, the shareholders concerned will be separately requested to provide information necessary to allocate shares of the Company to the account of the Entitled Shareholders and submit, in the form prescribed by the Company, a written undertaking including representations and warranties regarding matters such as the fact that they are not Non-Qualified Parties, indemnity clauses and other covenants.

The Gratis Allotment Resolution may provide for the matters relating to acquisition of the Share Options from the Non-Qualified Parties or other acquisition, and in that case, the Company may take procedures in accordance with the provisions of the Gratis Allotment Resolution.

In addition to the above, the Company will disclose information to or notify all of its shareholders with respect to the particulars of the allotment method, exercise method and method for acquisition by the Company after these matters are determined in the Gratis Allotment Resolution, so we request that shareholders check these details at that time.

#### **IV. Rationale of the Plan**

##### **1. Ensure and Enhance the Company's Corporate Value and the Common Interests of Shareholders**

The Plan is in line with the Basic Policy and for the purpose of maintaining the corporate value of the Company and, in turn, the common interests of its shareholders by ensuring the necessary time and information is made available for the shareholders to decide whether or not to accept the Acquisition of share certificates, etc. of the Company and for the Board of Directors to present an alternative proposal to the shareholders, and by enabling the Board of Directors to negotiate with the Acquirer for the benefit of the shareholders when the Acquisition is to be effected.

##### **2. Satisfying the Requirements of the Guidelines for the Policy for Countermeasures to Acquisitions**

The Plan fully satisfies the three principles set out in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005; namely, the principles of:

- (i) ensuring and enhancing corporate value and shareholders' common interests;
- (ii) prior disclosure and respect for shareholder intent; and
- (iii) ensuring necessity and reasonableness.

The Plan also takes into account the "Takeover Defense Measures in Light of Recent Environmental Changes" released on June 30, 2008 by the Corporate Value Study Group established under the Ministry of Economy, Trade and Industry, and other practice and discussion related to policies for countermeasures to acquisitions.

Furthermore, the Plan takes into account "Principle 1.5 Anti-Takeover Measures" in "Japan's Corporate Governance Code (last revised on June 11, 2021)" enforced by the Tokyo Stock Exchange in June 2015 and the "Guidelines for Corporate Takeovers -Enhancing Corporate Value and Securing Shareholders' Interests-" released by the Ministry of economy, Trade and Industry on August 31, 2023.

##### **3. Placing High Value on the Intent of Shareholders**

As set out above in III.3.4, 'Procedures for the Renewal,' the Former Plan will be renewed on the condition that shareholder approval at the 39th Ordinary General Meeting of Shareholders will be obtained with respect to assigning the relevant authority to the Company's Board of Directors in accordance with the provisions of the Company's Articles of Incorporation.

The Company's Board of Directors may, under certain circumstances, confirm the intent of the Company's shareholders at the Shareholder Meeting regarding the need to trigger the Plan.

Further, the Plan is subject to a so-called sunset clause setting the effective period as until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the conclusion of the 39th Ordinary General Meeting of Shareholders. In this regard, the life of the Plan depends on the intent of the Company's shareholders.

##### **4. Emphasis on the Decisions of Independent Parties Such As Outside Directors and Obtaining the Advice of Third-Party Experts**

The Company must obtain a recommendation from the Independent Committee, composed only of members who are independent, such as outside directors, when making decisions for triggering the Plan.

Further, the Independent Committee may obtain advice from experts at the Company's expense, which is a mechanism to even further ensure the objectivity and fairness of the decisions made by the

Independent Committee.

#### **5. Establishment of Reasonable Objective Requirements**

As set out above in (e) of III.3.1, 'Procedures for Triggering the Plan,' and III.3.2, 'Requirements for the Gratis Allotment of Share Options, Etc.,' the Company believes that the Plan is established so that it will not be triggered unless reasonable and objective requirements have been satisfied, and ensures a structure to eliminate arbitrary triggering by the Company's Board of Directors.

#### **6. No Dead-Hand or Slow-Hand Takeover Response Policy to Acquisitions**

The Plan may be abolished by a meeting of the Board of Directors composed of directors who are nominated by a person who acquires a large number of share certificates, etc. and elected at the Company's general meeting of shareholders. Therefore, the Plan is not a dead-hand policy for countermeasures to acquisitions (a takeover response policy to acquisitions in which even if a majority of the members of the Board of Directors are replaced, the triggering of the measure cannot be stopped). Also, since the term of office of directors (excluding directors who are Audit and Supervisory Committee Members) is one year and the term of office of directors who are Audit and Supervisory Committee Members is two years, but as the terms of office of directors who are Audit and Supervisory Committee Members are in accordance with the regulations under the Companies Act and the Company has not adopted a system of staggered terms of office for the directors, the Plan is not a slow-hand policy for countermeasures to acquisitions either (a takeover response policy to acquisitions in which triggering takes more time to stop due to the fact that all members of the Board of Directors cannot be replaced at once).

## Attachment 1

### Outline of the Rules of the Independent Committee

- The Independent Committee will be established by resolution of the Company's Board of Directors.
- There will be no less than three members in the Independent Committee, and the Company's Board of Directors shall appoint the members from (i) outside directors of the Company or (ii) experts who are independent from the management that executes the business of the Company. However, such experts must be experienced corporate managers, former government employees, parties with knowledge of the investment banking industry or the Company's business domain, lawyers, certified public accountants, researchers whose research focuses on the Companies Act or the like, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Company's Board of Directors that contains a provision obligating them to exercise their duty of care or a similar provision.
- Unless otherwise determined by a resolution of the Company's Board of Directors, the term of office of members of the Independent Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the 39th Ordinary General Meeting of Shareholders. However, the term of office of any member of the Independent Committee who is an outside director of the Company will end at the same time when they lose their status as such (except in the case of their re-election).
- The Independent Committee may make decisions on the matters listed below and make recommendations to the Company's Board of Directors containing the details of and reasons for the decisions. Respecting such recommendations by the Independent Committee to the maximum extent possible, the Company's Board of Directors shall make decisions as an organization under the Companies Act (or, if a separate resolution is adopted at the Shareholders Meeting, in accordance with the resolution at the Shareholders Meeting). Each member of the Independent Committee must make such decisions from the perspective of whether or not the corporate value of the Company and the common interests of its shareholders will be enhanced, and they must not solely serve the purpose of their own interests or those of the management of the Company.
  - (1) The implementation or non-implementation of a gratis allotment of Share Options or other reasonable measures that can be taken under laws and ordinances and the Company's Articles of Incorporation (collectively, the "Gratis Allotment of Share Options, Etc.").
  - (2) The cancellation of the Gratis Allotment of Share Options, Etc. or the gratis acquisition of Share Options.
  - (3) Determination whether the Acquisition should be made subject to the Plan.
  - (4) Determination of the information that the Acquirer and the Company's Board of Directors should provide to the Independent Committee, and the deadline for the provision of that information.
  - (5) Examination and consideration of the terms of the Acquirer's Acquisition.
  - (6) Discussion and negotiation with the Acquirer.
  - (7) Request for the submission of an alternative proposal to, and consideration of the alternative proposal submitted by, the Company's Board of Directors.
  - (8) Determination regarding extension of the Independent Committee Consideration Period.
  - (9) Determination on whether a shareholders meeting should be convened with respect to the implementation of the Gratis Allotment of Share Options, Etc.
  - (10) Determination on whether a person is a Specially Related Party of the Acquirer.
  - (11) Approval of revision or amendment to the Plan.
  - (12) Determination on whether or not a policy for countermeasures to acquisitions other than the Plan should be introduced.
  - (13) Any other matters prescribed in the Plan that the Independent Committee may conduct.
  - (14) Any matters that the Company's Board of Directors separately refers to the Independent Committee or determines that the Independent Committee may conduct.
- In order to collect the necessary information, the Independent Committee may request the attendance of a director or employee of the Company, or any other party that the Independent Committee considers necessary, and may demand explanation of any matter it requests.

- The Independent Committee may, at the Company's expense, obtain advice from financial advisers, certified public accountants, lawyers, certified public tax accountants, consultants and other experts or conduct similar actions.
- Any member of the Independent Committee may convene a meeting of the Independent Committee when an Acquisition arises, or at any other time.
- As a general rule, resolutions of meetings of the Independent Committee shall pass with a majority of voting rights when all of the members of the Independent Committee are in attendance (including attendance via video conference or telephone conference; the same applies hereinafter). However, in unavoidable circumstances a resolution may pass with a majority of voting rights when a majority of the members of the Independent Committee are in attendance.

## Attachment 2

### 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:	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
		To present

Rehito Hatoyama is currently an outside director of the Company, and he is scheduled to be reelected as an outside director of the Company upon approval of the proposal regarding the election of directors at the 39th Ordinary General Meeting of Shareholders.

He does not have any special interest in the Company. In addition, the Company has notified the Tokyo Stock Exchange that he is an independent officer of the Company.

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Name: Genichi Tamatsuka  
Date of birth: May 23, 1962

Career summary:	April 1985	Joined Asahi Glass Co., Ltd. (present AGC Inc.)
	November 2002	President and COO of FAST RETAILING CO., LTD
	September 2005	Established Revamp Corporation, Representative Director and President of the company
	May 2014	Representative Director and President of Lawson, Inc.
	June 2017	President and CEO of Hearts United Group Co., Ltd.(present DIGITAL HEARTS HOLDINGS Co., Ltd.)
	October 2017	President of DIGITAL HEARTS Co., Ltd.
	June 2019	Outside Director of the Company (present post)
	June 2021	Representative Director and President/CEO of Lotte Holdings Co., Ltd. (present post)
	October 2021	Chairman of JAPAN RUGBY LEAGUE ONE (present post)
	April 2022	Vice Chairman of the Japan Association of Corporate Executives (present post)
	November 2022	Director and Acting owner of Chiba Lotte Marines (present post)
		To present

Genichi Tamatsuka is currently an outside director of the Company, and he is scheduled to be reelected as an outside director of the Company upon approval of the proposal regarding the election of directors at the 39th Ordinary General Meeting of Shareholders.

He concurrently holds the position of Representative Director and President/CEO of Lotte Holdings Co., Ltd., with which the Company has a business relationship. In the fiscal 2023, Lotte Holdings Co., Ltd. and Chiba Lotte Marines, at which Genichi Tamatsuka holds a concurrent position, outsourced certain businesses to the Company, but the amount of the businesses accounts for an insignificant part of consolidated sales of the Company (less than 2%). Also, there is no business outsourced from the Company to these companies. Accordingly, the Company has determined that his independence is ensured adequately. In addition, the Company has notified the Tokyo Stock Exchange that he is an independent officer of the Company.

Name: Noriyoshi Suzuki  
Date of birth: April 20, 1956

Career summary:	April 1982	Joined The Nikko Securities Co., Ltd.
	October 2001	Manager of Private Banking Division of Nikko Cordial Securities Inc. (present SMBC Nikko Securities Inc.)
	February 2005	Managing Director of Nikko Cordial Securities Inc.
	December 2008	Senior Managing Director of Nikko Cordial Securities Inc.
	July 2009	President and Representative Director of LCF Edmond de Rothschild Nikko Cordial Co., Ltd. (present Edmond de Rothschild Nikko Co., Ltd.)
	March 2017	Deputy President Executive Officer of SMBC Nikko Securities Inc.
	July 2019	Representative Director of SUZUKI NORIYOSHI OFFICE Co., Ltd. (present post)
	June 2020	Outside Director of the Company (present post)
	January 2021	Representative Director & President of LES ROIS MAGES JAPON (present post)
		To present

Noriyoshi Suzuki is currently an outside director of the Company, and he is scheduled to be reelected as an outside director of the Company upon approval of the proposal regarding the election of directors at the 39th Ordinary General Meeting of Shareholders.

He does not have any special interest in the Company. In addition, the Company has notified the Tokyo Stock Exchange that he is an independent officer of the Company.

**Attachment 3****Major Shareholders of the Company**

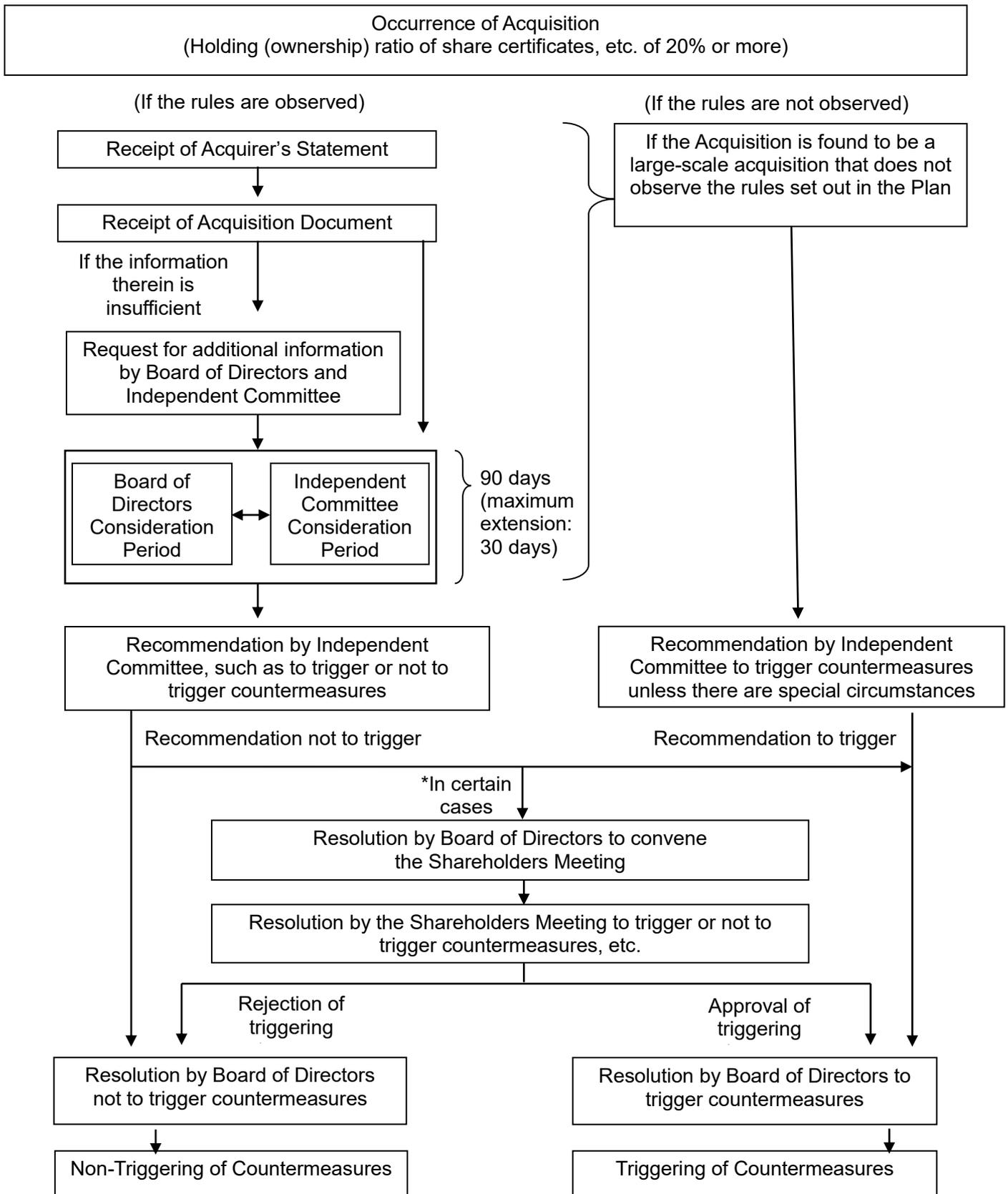
The status of the major shareholders of the Company as of March 31, 2024 is as follows.

Name	Capital contribution in the Company	
	Number of shares held (thousands of shares)	Shareholding ratio (%)
transcosmos foundation	6,753	18.02
Masataka Okuda	6,404	17.09
The Master Trust Bank of Japan, Ltd. (Account in Trust)	3,103	8.28
Custody Bank of Japan, Ltd. (Account in Trust)	1,492	3.98
Mihoko Hirai	1,463	3.91
THE BANK OF NEW YORK MELLON 140042	926	2.47
CEPLUX- THE INDEPENDENT UCITS PLATFORM 2	746	1.99
Limited company HM Kosan	722	1.93
Employee Shareholding Association of transcosmos inc.	709	1.89
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT	500	1.33

- Notes: 1. Other than the above, the Company holds 11,321 thousand shares as its treasury stock, but the Company is excluded from the above list of top 10 shareholders, and the treasury stock is excluded from the calculation of the shareholding ratios.
2. Numbers of shares less than one thousand is rounded down to the nearest thousand.
3. Each shareholding ratio is rounded to the second decimal place.

(Reference)

### Flow Chart of Procedures for the Plan



\*(i) If the Independent Committee recommends to implement the Gratis Allotment of Share Options with the reservation that the approval of a shareholders meeting is obtained in advance or recommends to confirm the shareholders' intent regarding the Acquisition by the Acquirer, or (ii) if the Company's Board of Directors believes that it should implement the Gratis Allotment of Share Options, Etc. and the Board of Directors determines that it is appropriate to confirm the shareholders' intent taking into consideration the time, etc. required to hold a shareholders meeting and in light of the duty of care of a director.

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 main text of the press release for the precise content of the Plan.