Supplementary Explanation to the Notice Regarding the Status of Discussions with Mr. Hiroyuki Maki and the Company's Response

BASE, Inc.
(Tokyo Stock Exchange Growth: 4477)
April 14, 2025

Summary

The Company has determined that there is a high likelihood that the Planned Tender Offer will be initiated without ensuring shareholders are provided with the necessary and sufficient information and time to make an appropriate decision, and without alleviating the Company's concerns regarding the share accumulation and the Planned Tender Offer.

Accordingly, the Board of Directors has resolved to set April 30, 2025 (Wednesday) as the record date in preparation for convening a Shareholder Opinion Confirmation Meeting, should such a meeting be held.

Please note that, as of now, **the Company has not resolved to implement any countermeasures (including the allotment of stock acquisition rights) or to convene the Shareholder Opinion Confirmation Meeting.**

Outline of Key Events	• March 19, 2025: The Company adopted the Response Policy and requested Mr. Maki to comply with the procedures stipulated in the Policy and to engage in discussions accordingly. • March 25: Mr. Maki's legal representative expressed the position that Mr. Maki would not comply with the Response Policy and intended to proceed with the procedures for the Planned Tender Offer. • March 31: Our CEO held a direct meeting with Mr. Maki. Although the purpose of the Response Policy was explained, Mr. Maki reiterated that he does not intend to comply with it. • From April 2 onward: The Company proposed entering into a non-disclosure agreement (NDA), but Mr. Maki declined. He also refused to provide any specific explanation regarding the conditions or intent of the Planned Tender Offer, and instead notified the Company on April 9 of his intention to initiate prior consultation with the Kanto Local Finance Bureau.
The Company's Current Understanding and Assessment	• **Mr. Maki appears to have the intention of commencing the Planned Tender Offer without complying with the procedures stipulated in the Response Policy.** • Although the Company requested Mr. Maki to provide a detailed explanation of his assumptions regarding the terms of the Planned Tender Offer in order to examine the matter in good faith, he has not complied with such requests, and the reasons for this remain unclear. • Based on the discussions with Mr. Maki, the Company has determined that there is a high likelihood that the Planned Tender Offer will be commenced without Mr. Maki complying with the procedures stipulated in the Response Policy. As a result, shareholders may not be provided with the necessary and sufficient information and time to make an appropriate decision regarding the Planned Tender Offer, and the Company's concerns about the share accumulation and the Planned Tender Offer would remain unaddressed.
Resolutions	• In the event that Mr. Maki actually announces or commences the Planned Tender Offer without complying with the procedures stipulated in the Company's Response Policy, and **if, following its evaluation and deliberation of the Planned Tender Offer, the Board of Directors of the Company were to adopt a position opposing the offer and determine that a countermeasure based on the Response Policy should be implemented, the Company plans to convene a shareholders' confirmation meeting to confirm the intention of shareholders regarding the implementation of such countermeasure.** • **The Company's Board of Directors has resolved to set April 30, 2025 (Wednesday) as the record date for convening a Shareholder Confirmation Meeting, in preparation for the possibility that such a meeting will be held.**

Outline of Key Events Following the Introduction of the Company's Response Policy (1)

Date	Event
	In order to ensure that the Company's general shareholders have sufficient information and time to make an appropriate decision regarding the large-scale acquisition, the Board of Directors resolved at an extraordinary meeting to adopt the Response Policy.
March 19	The Company sent a letter to Mr. Hiroyuki Maki and his representative outlining the following: • Notification that the Response Policy had been adopted, along with its objectives. It was also stated that, as of that date, the Company's Board of Directors had neither expressed an opinion opposing the planned tender offer nor decided to implement any countermeasures based on the Response Policy. • A request that, in the event Mr. Maki intends to engage in a large-scale acquisition, he submit a written explanation of the purpose and other details of the acquisition to the Company's Board of Directors at least 60 business days prior to commencing such an action, in accordance with the procedures set forth in the Response Policy.
March 25	A letter was received from Mr. Maki's representative containing the following statements: • Mr. Maki is investing in the Company's shares solely as a general individual investor and does not intend to acquire control of the Company or participate in its management, nor does he have the capacity or resources to do so. • As long as Mr. Tsuruoka remains the Company's Representative Director and President, Mr. Maki does not intend to oppose the current management's policies, except for any policies that may unilaterally restrict the rights of specific shareholders. He also has no intention of taking actions that would damage the Company's corporate value. • Mr. Maki has acquired the Company's shares through margin trading and therefore is unable to exercise voting rights. This is intended to demonstrate that his investment is purely financial in nature and that he does not place importance on exercising voting rights. • Since his investment is as a general individual investor, he is unable to comply with the requests outlined in the Company's letter. • Mr. Maki had intended to determine the tender offer price and related conditions through discussions with the Company and expressed disappointment that the Company issued its March 19 press release before such discussions could take place. • While he plans to proceed with the tender offer, he does not intend to acquire a majority of the Company's outstanding shares.
March 31	**A meeting was held between the Company's CEO, Mr. Tsuruoka, and Mr. Maki,** during which Mr. Tsuruoka conveyed the following points to Mr. Maki: • A renewed explanation of the purpose of adopting the Response Policy and the Company's concerns regarding the share accumulation and the planned tender offer underlying the policy's introduction. • A reiterated request for Mr. Maki to comply with the Response Policy, in order to avoid further confusion among the Company's shareholders and other stakeholders. Mr. Maki responded as follows: • He reaffirmed his position—consistent with the letter received on March 25—that he does not intend to comply with the Response Policy.

Outline of Key Events Following the Introduction of the Company's Response Policy (2)

Date	Event
April 2	During the meeting held on March 31, Mr. Maki expressed a desire to engage in discussions with the Company. Based on this and his request that the content of such discussions not be disclosed without his consent, **the Company proposed to enter into a confidentiality agreement (NDA) with Mr. Maki as a precondition for engaging in sincere discussions regarding the planned tender offer.** In response, the Company received a letter from Mr. Maki's representative stating the following: • Since the Company's March 19 press release, Mr. Maki has received inquiries suggesting that (i) the tender offer may never have been planned in the first place, (ii) the announcement may constitute dissemination of rumors, (iii) it may amount to market manipulation, or (iv) it may have been used for insider trading. In light of these circumstances, and the need to respond to "sincere questions and comments," **Mr. Maki does not consider it necessary to enter into a confidentiality agreement.** • **Mr. Maki wishes to proceed with the planned tender offer with the support of the Company's Board of Directors, and therefore requests the Company's views on the tender offer price, the expected post-offer shareholding ratio, and the intended offer period.**
April 4	The Company sent a letter to Mr. Maki conveying the following points: • Even if Mr. Maki were to enter into a confidentiality agreement with the Company, any doubts raised by those questioning the legitimacy of the planned tender offer could be easily addressed by disclosing the fact that such an agreement had been signed and that discussions regarding the planned tender offer were underway. Moreover, inquiries directed at Mr. Maki could be responded to by referring to the content of such disclosure. Therefore, **the rationale provided by Mr. Maki does not constitute a valid reason for refusing to sign a confidentiality agreement.** • With respect to the terms of the planned tender offer, it is the responsibility of Mr. Maki, as the prospective offeror, to present specific proposals to the Company. The Company finds it questionable that Mr. Maki is requesting the Company's views without first providing such information. • Accordingly, **the Company once again requested that Mr. Maki enter into a confidentiality agreement and continue discussions in good faith. If Mr. Maki remains unwilling to do so, the Company requested that he comply with the procedures set forth in the Response Policy.**
April 9	An e-mail was received from Mr. Maki's representative containing the following statements: • **Mr. Maki does not intend to enter into a confidentiality agreement, and instead indicated his intention to begin prior consultation with the Kanto Local Finance Bureau regarding the planned tender offer.** • **No specific explanation was provided regarding the terms and conditions Mr. Maki envisions for the planned tender offer.**
April 14	**The Company has resolved to set April 30, 2025 (Wednesday) as the record date for convening a Shareholder Confirmation Meeting, in preparation for the possibility that such a meeting will be held.**

The Company's Current Understanding and Assessment

BASE

Based on the discussions with Mr. Maki, **the Company has determined that there is a high likelihood that the Planned Tender Offer will be commenced without Mr. Maki complying with the procedures stipulated in the Response Policy.**

As a result, shareholders may not be provided with the necessary and sufficient information and time to make an appropriate decision regarding the Planned Tender Offer, and the Company's concerns about the share accumulation and the Planned Tender Offer would remain unaddressed.

The Company's Current Understanding	• **Mr. Maki appears intent on initiating the Planned Tender Offer without complying with the procedures stipulated in the Response Policy.** • The Company considers that sufficient explanations have not been provided to alleviate its concerns regarding the share accumulation and the Planned Tender Offer, for the following reasons: (i) Mr. Maki has not explained his specific ideas concerning the management of the Company or strategies to sustainably enhance its corporate value following the acquisition of "control," which he himself has suggested in the large shareholding report and other documents. (ii) Mr. Maki has made no mention of the potential confusion or disruption among shareholders and other stakeholders of the Company, nor has he shown any intention to comply with the Response Policy, which was adopted to prevent such confusion and disruption. (iii) While asserting that his position is that of an ordinary individual investor, Mr. Maki has provided no explanation regarding the inconsistencies between this claim and the language used in the large shareholding report and the letters dated March 13 and March 14, in which he indicates a goal of acquiring and benefiting from a "control premium," or the possibility of selling the accumulated shares to a third party. • Despite the Company's proposal to engage in good faith discussions based on the execution of a confidentiality agreement, **Mr. Maki declined to enter into such an agreement without providing any reasonable grounds.** • **Moreover, although the Company requested Mr. Maki to explain the specific terms and assumptions of the Planned Tender Offer in order to conduct a sincere assessment, he has not responded to these requests, and no explanation for such non-response has been provided.**
The Company's Assessment	• **The Company has determined that there is a high likelihood that the Planned Tender Offer will be commenced without Mr. Maki complying with the procedures stipulated in the Response Policy.** • As a result, shareholders may not be provided with the necessary and sufficient information and time to make an appropriate decision regarding the Planned Tender Offer, and the Company's concerns about the share accumulation and the Planned Tender Offer would remain unaddressed.

Resolutions of the Board of Directors (April 14, 2025)

The Board of Directors resolved to set a record date in preparation for convening a Shareholder Confirmation Meeting, should such a meeting be held.

As of now, **the Company has not resolved to take a hostile response** to the Planned Tender Offer by Mr. Maki.

Additionally, **the Company has not resolved to implement countermeasures (such as the allotment of stock acquisition rights) or to convene a Shareholder Confirmation Meeting.**

In the event that Mr. Maki discloses or commences the Planned Tender Offer without complying with the procedures stipulated in the Company's Response Policy

If, as a result of its evaluation and deliberation of the Planned Tender Offer, the Board of Directors decides to oppose the offer and determines that countermeasures based on the Response Policy should be triggered, the Company plans to convene a Shareholder Confirmation Meeting to confirm shareholders' views on whether such countermeasures should be implemented.

Based on the outcome of the consultation with the Independent Committee, the Company's Board of Directors has resolved to set April 30, 2025 (Wednesday) as the record date for convening a Shareholder Confirmation Meeting, in preparation for the possibility that such a meeting will be held.

Responses to Questions from Shareholders Following the Disclosure of the Response Policy

BASE

Has the Board of Directors already decided to oppose Mr. Maki's proposal?

At this stage, the Board of Directors has not made any decision to oppose Mr. Maki's proposal. The Board intends to first receive the necessary information regarding Mr. Maki's intentions and plans, and to carefully and objectively evaluate them. Based on that assessment, any decision on whether to implement countermeasures will be made after confirming the intent of our shareholders through a Shareholder Confirmation Meeting.

I've heard that stock acquisition rights may be granted without charge. Has this already been decided, and when would it take place?

No, the free allotment of stock acquisition rights has not been decided at this time. While this measure is one of the potential countermeasures that may be implemented in the future, whether or not it will actually be exercised depends on future developments and the judgment of our shareholders. In other words, the current stage is one of preparation — the structure is in place as a precaution.

If stock acquisition rights are issued based on the response policy, will the value of the shares I currently own be diluted? Will I incur a loss?

While the theoretical value per share may be diluted if a countermeasure is triggered, the stock acquisition rights would be granted without charge to all shareholders equally. As such, the overall value of the shares held by each shareholder would not be impaired. Therefore, we do not expect the countermeasure to have any direct or specific impact on shareholders' legal rights or economic interests.

The Company says it respects shareholders' opinions, but who ultimately makes the decision?

Under the Response Policy, we believe that the final decision regarding the acceptability of a large-scale acquisition should rest with our shareholders. To that end, we place the highest priority on ensuring that shareholders are provided with the necessary information and sufficient time for careful consideration.

In principle, before any countermeasures (such as the free allotment of stock acquisition rights) are implemented under the Response Policy, the Company intends to convene a Shareholder Confirmation Meeting (an extraordinary general meeting of shareholders) to confirm shareholders' intentions. **Countermeasures would only be implemented if approved by shareholders at the meeting**, thereby ensuring that shareholders' will is fully respected.

However, if a large-scale acquirer attempts to proceed with a hostile acquisition without following the procedures stipulated in the Response Policy, the Board of Directors may, in an emergency, trigger countermeasures without first holding a Shareholder Confirmation Meeting. Even in such cases, the Board will carefully consider the opinion of the Independent Committee, which consists of outside directors and auditors, to ensure the objectivity of its decision and to avoid any arbitrary judgment.

Furthermore, **even if countermeasures are triggered without shareholder approval due to the urgency of the situation, the Company's basic policy is to hold a Shareholder Confirmation Meeting as soon as practicable thereafter to formally confirm shareholders' views.**

In this way, we remain committed to respecting the views of our shareholders at all times and to responding with careful consideration in a manner that contributes to the maximization of corporate value and the common interests of shareholders.

Appendix.
Supplementary Presentation on the Company‘s Response Policy Aimed at Ensuring Corporate Value and the Common Interests of Shareholders
(Disclosed on March 19, 2025)

Executive Summary

Upon receiving notification of Mr. Maki's rapid and substantial accumulation of the Company's shares and his intention to launch a Tender Offer, the Company has determined that it would be conducive to maximizing corporate value and the common interests of shareholders for such Large-Scale Acquisition Activities to be conducted through procedures ensuring that general shareholders have sufficient information and time to make an appropriate decision.

If the Tender Offer planned by Mr. Maki qualifies as a Large-Scale Acquisition Activity, **the Company will require Mr. Maki to provide necessary information.** The Company introduces **this Response Policy with the purpose of ensuring shareholders have adequate information and sufficient time to properly evaluate the potential impact** of the Tender Offer on the Company's corporate value and the sources of such value.

However, **at this stage, the Company's Board of Directors is neither expressing opposition to the Tender Offer planned by Mr. Maki, nor has it determined to definitively implement Countermeasures based on this Response Policy should the Tender Offer be publicly announced and initiated.**

Background	• On March 7, 2025, and onwards, **a rapid and large-scale accumulation of the Company's shares by Mr. Hiroyuki Maki commenced.** • While the purchase of the Company's shares was temporarily suspended on March 13, it was conveyed to the Company that, **from March 14 onward, the intention was to resume the purchase of the Company's shares, with the aim of holding more than 30% of the shares and for the stated purpose of acquiring and benefiting from a control premium.** • On March 14, 2025, the Company received a letter from Mr. Maki's representative, in which it was conveyed that he intends to conduct a tender offer with the aim of acquiring a control premium (i.e., obtaining an ownership ratio exceeding at least 30% of the total issued shares). • **No substantive discussions have taken place between the Company and Mr. Maki, and the Company has received little to no information or explanation regarding the specific terms and conditions of his plan.**
The Company's Current Understanding	• The Company recognizes that the ongoing stock accumulation and the proposed tender offer may pose **a risk of harming the Company's corporate value and the common interests of its shareholders.**
Resolutions	• The Company has determined that **any large-scale acquisition of shares should be conducted through procedures that ensure shareholders have sufficient information and time to make an appropriate decision, as this would contribute to maximizing the Company's corporate value and the common interests of shareholders.** Based on this judgment, the Company has introduced the "Fundamental Policy on the Company's Control" and the "Response Policy for Large-Scale Acquisition of the Company's Shares".
The Response Policy	• To enable the Company's shareholders to determine, based on sufficient prior information, whether the proposed large-scale acquisition would hinder the maximization of the Company's corporate value and the common interests of shareholders, **the Company requires the large-scale acquirer to provide the necessary information.** • Furthermore, **the Company seeks to ensure that shareholders have adequate time to carefully consider the execution and appropriateness of the proposed large-scale acquisition** based on this information.

(Note) The introduction of the response policy and the activation of countermeasures stipulated within it are distinct actions. The extraordinary Board of Directors meeting held on March 19, 2025, resolved only to introduce the response policy.
The countermeasures, in principle, will be activated only after obtaining approval from shareholders at a shareholders meeting. At this point, the Company does not intend to activate the countermeasures.

The Background Leading to the Introduction of the Response Policy

Date	Event
March 7–12	• On March 7, 2025, it was confirmed that Mr. Hiroyuki Maki had acquired the Company's shares (through margin trading) after he submitted a Large Shareholding Report to the Kanto Local Finance Bureau for the first time. • Subsequently, he rapidly and extensively accumulated the Company's shares in the market, and as confirmed in the Large Shareholding Report (Amendment Report) submitted on March 12, **he had acquired the Company's shares through margin trading, amounting to a 14.25% ownership ratio.** **The Large Shareholding Report (Amendment Report) submitted on March 12 stated the purpose of shareholding as:* ***"To hold shares stably as a major shareholder with the aim of obtaining control premium. If the management does not agree with this objective, I may consider selling the shares."***
March 13	Received the following letter from Maki's representative: • No intention to make significant proposals to the Company. • Will not oppose the current management's business policies as long as Yuta Tsuruoka, the Company's Representative Director and CEO, remains in office—except in cases where proposals that unilaterally restrict shareholder rights are submitted. Additionally, there is no intention to take any actions that would harm corporate value. • On the other hand, while the purchase of the Company's shares was temporarily suspended on March 13, it was conveyed to the Company that, **from March 14 onward, there was an intention to resume the purchase of the Company's shares with the goal of holding more than 30%.** **The purpose of shareholding was stated as:* ***"To obtain and enjoy control premium."***
	E-mail Sent from the Company to Mr. Maki's Representative • **From the perspective of maintaining and enhancing the Company's corporate value and the common interests of shareholders, the Company requested Mr. Maki to refrain from further share purchases for the time being**, including the planned resumption of purchases on March 14. This request was made to allow sufficient time for careful consideration of Mr. Maki's letter dated March 13, along with the reasons supporting this request.
March 14	Letter Received from Mr. Maki's Representative • From the perspective of proceeding amicably with the Company, Mr. Maki did not purchase the Company's shares on March 14, 2025, and **has not made any further purchases since March 12.** • **Future acquisitions of the Company's shares will be conducted through a tender offer,** and on March 14, Mr. Maki received preliminary approval from a securities firm as the prospective tender offer agent. Furthermore, by early next week, he intends to initiate a prior consultation with the Kanto Local Finance Bureau regarding the tender offer for the Company's shares. **The letter states that the goal is* ***to obtain control premium (i.e., obtaining an ownership stake exceeding at least 30% of the total issued shares).***
March 17	E-mail Sent from the Company to Mr. Maki's Representative • Communicated that the company would review the contents of the letter dated March 14.
March 19	**The Board of Directors resolved to introduce the Response Policy at an extraordinary board meeting, aiming to secure adequate information and time for general shareholders before any large-scale share acquisition takes place.**

The Company's Current Understanding of the Share Accumulation and the Planned Tender Offer

BASE

The Company recognizes that the ongoing share accumulation and the planned tender offer may **potentially harm corporate value and, consequently, the common interests of shareholders.**

Situation as of March 19	The Company became aware of the share accumulation only upon the submission of the large shareholding report. **No substantive discussions have been held between the Company and the party conducting the share accumulation, nor has there been sufficient information sharing or explanations regarding the specific terms and conditions of the proposed transaction.**
The Company's Current Understanding	• The ongoing accumulation of the Company's shares is creating undue pressure or motivation for shareholders to sell their shares without having sufficient information and time to properly evaluate their options. **This situation unjustly interferes with shareholders' fundamental right to freely decide whether to sell their shares.** • If the planned tender offer is publicly announced and commenced, the Company—which currently lacks sufficient information regarding the terms and conditions of the offer—may require significant time to evaluate and express its opinion. Given this, **shareholders and other stakeholders will likely experience further confusion, leading to increased market uncertainty.** • According to the description in the "Purpose of Holding" section of the Large Shareholding Report, while Mr. Maki states that he intends to hold shares stably as a major shareholder, he also notes that "if the management does not support the objective, there is a possibility of selling the shares." **This raises concerns that Mr. Maki may resell the shares he has rapidly accumulated to a third party in a short period of time. Furthermore, if he continues to increase his shareholding, there is a potential for a serious conflict of interest between Mr. Maki and the general shareholders of the Company.** • Additionally, **the ultimate control over the voting rights and other shareholder rights related to the Company shares acquired by Mr. Maki remains unclear**, raising concerns from the perspective of corporate value and the collective interests of shareholders. • Looking at Mr. Maki's past investment activities, **there are examples where his actions appear to have caused disruption to shareholders and other stakeholders, contradicting the corporate value and collective shareholder interests of the invested companies.**

The Company recognizes that the ongoing share accumulation and the planned tender offer may **potentially harm corporate value and, consequently, the common interests of shareholders.**

Current Understanding - Stock Acquisition through Margin Trading

The ultimate control over the voting rights and other shareholder rights related to the Company shares acquired by Mr. Maki remains unclear, raising concerns from the perspective of corporate value and the collective interests of shareholders.

Situation as of March 19	• According to the substantial shareholding report and related documents, **Mr. Maki acquired all of these shares through margin trading with Tachibana Securities Co., Ltd.** • It remains unclear whether Mr. Maki intends to conduct settlement of margin trading with Tachibana Securities Co., Ltd. Additionally, in the event that he does not proceed with settlement of margin trading, it is uncertain whether Tachibana Securities Co., Ltd. will exercise the voting rights associated with these shares, and if so, whether Mr. Maki has any directive authority over such voting rights.
The Company's Current Understanding	• Mr. Maki has acquired shares of the Company through margin trading, and **the disposition of the voting rights and other shareholder rights associated with these shares remains unclear.** • Due to Mr. Maki's share accumulation and the upcoming planned tender offer, **it is highly uncertain who will exercise the voting rights and other shareholder rights related to the shares he acquires, how such rights will be exercised, and how this will ultimately impact the Company's management decisions.**

Recognized as a concern from the perspective of the Company's corporate value and the common interests of shareholders.

Current Understanding - Mr. Maki's Past Investment Activities (1)

BASE

In the investment case involving Inui Steamship, **numerous actions were observed that appear to have caused confusion among shareholders and other stakeholders, running counter to the corporate value of the investee company and the shared interests of its shareholders.**

(1) Inui Steamship

- Alpha Leo Holdings LLC, whose representative employee was Makis Co., Ltd. (formerly known as Makis Co., Ltd., now Melco Group Co., Ltd.), a wealth management company led by Hiroyuki Maki, acquired shares of Inui Steamship Co., Ltd.
- On September 6, 2019, Alpha Leo requested the convocation of an extraordinary general meeting of shareholders (EGM) with the objective of including a proposal to dismiss one director. However, at the EGM held on November 4, 2019, Alpha Leo's proposal, including the director dismissal resolution, was rejected. Following this, on December 3, 2019, Alpha Leo filed a lawsuit seeking the dismissal of the director who was the subject of the proposal.
  - Subsequently, on November 24, 2021, the Tokyo District Court dismissed Alpha Leo's claim.
- On April 16, 2020, Alpha Leo Holdings LLC (Alpha Leo HD) submitted a shareholder proposal for the 100th Annual General Meeting of Shareholders (AGM) scheduled for June 19 of the same year, which included a resolution to dismiss three corporate auditors. However, after all shareholder proposals, including the dismissal resolution, were rejected at the AGM:
- 1) On July 17, 2020, Alpha Leo HD filed a lawsuit seeking the dismissal of two of the three corporate auditors targeted in the proposal.
  - Subsequently, on May 20, 2022, the Tokyo District Court ruled to dismiss Alpha Leo HD's claim.
- 2) On August 28, 2020, Alpha Leo HD filed a lawsuit seeking to annul the resolutions passed at the 100th AGM. However, on April 8, 2021, the Tokyo District Court ruled to dismiss Alpha Leo HD's claim.
  - Alpha Leo HD appealed the decision, but the Tokyo High Court dismissed the appeal on December 16, 2021.
- In May 2020, an extraordinary general meeting of shareholders (EGM) was held on May 7 at the request of Alpha Leo Holdings LLC (Alpha Leo HD), where a proposal to abolish Inui Steamship's then-existing takeover defense measures was rejected. Despite this outcome, which confirmed shareholders' intent to maintain the takeover defense measures, Alpha Leo HD, just approximately four months later, on September 9, 2020, once again requested the convocation of an extraordinary general meeting of shareholders with the objective of submitting a proposal to abolish the takeover defense measures.
- On May 27, 2020, the Board of Directors of Inui Steamship resolved to request Alpha Leo Holdings LLC (Alpha Leo HD) to provide the necessary information to facilitate constructive dialogue aimed at ensuring Inui Steamship's sustainable growth and long-term corporate value enhancement. Subsequently, at the 100th Annual General Meeting of Shareholders (AGM) held on June 19, 2020, Proposal No. 3, "Approval of the Board of Directors' Request for Information from Alpha Leo Holdings LLC," was approved by a majority of shareholders. Following this approval, Inui Steamship sent an initial questionnaire to Alpha Leo HD on July 30, 2020. However, on August 28 of the same year, Alpha Leo HD responded that it would refrain from providing answers and, on the same day, filed a lawsuit with the Tokyo District Court seeking to overturn the resolution.
  - This lawsuit was later dismissed by the Tokyo District Court on April 8, 2021, and Alpha Leo HD's appeal was also rejected by the Tokyo High Court on December 16, 2021.
- On September 9, 2020, Alpha Leo Holdings LLC (Alpha Leo HD) submitted a request to convene an extraordinary general meeting of shareholders (EGM) that included a proposal for the dismissal of one director. At the EGM held on November 4, 2020, all proposals submitted by Alpha Leo HD, including the director dismissal proposal, were rejected. Subsequently, on December 3, 2020, Alpha Leo HD filed a lawsuit seeking the dismissal of the targeted director.
  - Later, on July 2, 2021, Alpha Leo HD withdrew the lawsuit following the expiration of the director's term and their subsequent retirement.

Numerous actions were observed that appear to have caused confusion among shareholders and other stakeholders, running counter to the corporate value of the investee company and the shared interests of its shareholders.

Current Understanding - Mr. Maki's Past Investment Activities (2)

In the investment case concerning BASE FOOD, it appears that confusion was caused among shareholders and other stakeholders, **creating incentives or pressure for stock sales, and potentially resulting in unjust interference with shareholders' free decision-making regarding the sale of their shares.**

(2) BASE FOOD Inc.

- On October 16, 2024, Mr. Maki submitted a Large Shareholding Report concerning BASE FOOD shares. Following this, he rapidly and continuously acquired BASE FOOD shares through margin trading with Tachibana Securities, reaching a shareholding ratio of 33.44% as of November 15, 2024.
- Despite submitting 12 Amendment Reports after the initial Large Shareholding Report, Mr. Maki made no mention of "control premium" in the "Purpose of Holding" section of either the original report or any of the first 11 Amendment Reports submitted by November 7, 2024. However, in Amendment Report No.12, submitted on November 15, 2024, after reaching a 33.44% shareholding ratio, he explicitly stated for the first time in the "Purpose of Holding" section that **he was holding the shares "as the largest shareholder to enjoy special rights, commonly referred to as a control premium." This clarified that his objective was to benefit from the control premium**.
- The tender offer for BASE FOOD shares initiated by MBF on February 18, 2025, was **a partial tender offer, meaning that it set an upper limit on the number of shares to be purchased.** According to the "Guidelines on Corporate Acquisitions—Enhancing Corporate Value and Protecting Shareholder Interests," published by the Ministry of Economy, Trade and Industry (METI) on August 31, 2023, such acquisitions, where existing shareholders remain as minority shareholders, "may reduce corporate value and, for that very reason, make it easier for the acquirer to complete the acquisition." Compared to a full tender offer, where no upper limit is set on the number of shares purchased, **a partial tender offer is more likely to raise concerns about coercion**.
- In the Tender Offer Registration Statement for the above tender offer, MBF, a company wholly owned by Mr. Maki, stated that MBF and its sole shareholder, Mr. Maki, do not have any specific assumptions regarding the acquisition of a company (Note: BASE FOOD) that would allow them to enjoy a control premium. However, they acknowledged that an acquisition of the target company could potentially occur in the future. Furthermore, the statement noted that "the Tender Offeror (Note: MBF), the Tender Offeror's shareholder (Note: Mr. Maki), and the Target Company intend to sell the shares at an optimal time and in an optimal manner for all parties involved. While they plan to take market impact into account when determining the best method and timing of the sale, no specific decisions have been made as of the date of submission of this document." **This statement explicitly acknowledges the possibility of MBF and Mr. Maki selling their accumulated BASE FOOD shares in bulk to a third party but fails to provide any meaningful explanation regarding the timing, method, or recipient of the resale.**
- If such a resale were to take place, the buyer who acquires the entire 33.44% shareholding in BASE FOOD (or an even higher percentage depending on the outcome of the tender offer) would gain veto power over matters requiring a special resolution at BASE FOOD's general shareholder meetings. This could allow them to exert significant influence over BASE FOOD's management. As a result, **BASE FOOD's shareholders may be concerned that the timing, method, and recipient of the resale could negatively impact their own interests, potentially pressuring them into selling their shares. This could also lead to undue interference with shareholders' ability to freely decide whether to sell their shares.**

it appears that confusion was caused among shareholders and other stakeholders, creating incentives or pressure for stock sales, and potentially resulting in unjust interference with shareholders' free decision-making regarding the sale of their shares.

Current Understanding - Mr. Maki's Past Investment Activities (3)

BASE

The investment case involving Cookpad appears **to substantiate concerns that the shares of the company acquired by Mr. Maki could be collectively resold to a third party within a short period**.

(3) Cookpad

- According to the Large Shareholding Report submitted on November 19, 2021, Alpha Leo Holdings LLC (Alpha Leo HD), which at the time had Melco Group Inc., an asset management company led by Mr. Maki, as its representative member and executive member, along with Alpha Leo Inc., which was disclosed as a joint holder, accumulated Cookpad shares through market transactions from September 21, 2021, to March 15, 2022, ultimately reaching a shareholding ratio of 9.17%.
- However, **in less than four months, on July 6, 2022, all of these shares were transferred to Barista Inc. ("Barista").**
- Subsequently, Barista tendered all of its Cookpad shares in Cookpad's self-tender offer, conducted from February 13, 2023, to March 28, 2023. The tender offer price of 240 yen per share represented a 14.83% premium over Cookpad's closing price of 209 yen on February 10, 2023, the day the tender offer was announced, and Barista sold part of its holdings to Cookpad.

This case appears to substantiate concerns that the shares of the company acquired by Mr. Maki could be collectively resold to a third party within a short period.

(Note) Alpha Leo Holdings LLC (Alpha Leo HD)—Mr. Maki himself was also a representative member and executive member of Alpha Leo HD until October 13, 2015.

Adoption of the Fundamental Policy on Corporate Control and the Response Policy for Large-Scale Share Acquisitions

BASE

The Company has determined that ensuring that large-scale share acquisitions are conducted based on procedures that provide general shareholders with sufficient information and time to **make an appropriate decision serves to maximize the Company's corporate value and the common interests of its shareholders.**

Accordingly, the Company has adopted the Fundamental Policy on Corporate Control and the Response Policy for Large-Scale Share Acquisitions (Note).

Basis for Policy Formulation	• **It is reasonably determined that there is a concrete concern regarding a large-scale share acquisition aimed at increasing Mr. Maki's voting rights ratio to 20% or more through the Planned Tender Offer or other means.** • **To ensure that shareholders have sufficient information and time to make an informed decision** on how such a large-scale share acquisition may affect the Company's corporate value and its fundamental sources, and to allow the Board of Directors to engage in negotiations or discussions with the acquirer regarding such an acquisition or the Company's management policies, **the Company has determined that such acquisitions should be conducted through specific procedures established by the Board of Directors. This approach is deemed essential for maximizing the Company's corporate value and the common interests of shareholders.**
Resolutions Passed at the Extraordinary Board of Directors Meeting on March 19	Fundamental Policy on the Manner in Which Decisions on the Company's Financial and Business Policies Are Controlled • In addition to requesting the provision of necessary and sufficient information to enable shareholders to make an appropriate judgment on the propriety of the large-scale acquisition, the Company will take appropriate measures within the scope permitted by laws, regulations, and its Articles of Incorporation, such as ensuring timely and appropriate disclosure of the provided information.
	Measures to Prevent Control Over Decisions on the Company's Financial and Business Policies by Inappropriate Parties in Light of the Fundamental Policy (Response Policy) • Implementation of a Response Policy to address: 1) The large-scale acquisition of the Company's shares by Mr. Maki, which is a specific concern. 2) Any other large-scale acquisition of the Company's shares that may be reasonably anticipated under circumstances where such an acquisition by Mr. Maki has already been contemplated.

(Note)The "Fundamental Policy on Corporate Control" stated in the slide title is synonymous with the "Fundamental Policy on the Governance of Decision-Making Regarding the Company's Financial and Business Policies. "The "Response Policy on Large-Scale Purchases of the Company's Shares" is synonymous with the "Measures to Prevent Control of Decision-Making on the Company's Financial and Business Policies by Inappropriate Parties in Light of the Fundamental Policy (Response Policy)."

Fundamental Policy on the Manner in Which Decisions on the Company's Financial and Business Policies Are Controlled

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To ensure and enhance the corporate value of the Company and the common interests of shareholders, the Company has determined the "Fundamental Policy on the Governance of Decision-Making Regarding the Company's Financial and Business Policies."

Company's Recognition	• When a purchase proposal that has a significant impact on the Company's fundamental management policies is made by a specific party, the ultimate decision on whether to accept it should be left to the judgment of shareholders. • In order for shareholders to make an appropriate decision, it is necessary to provide them with adequate and sufficient information. • Some large-scale purchase transactions pose risks of damaging the corporate value of the Company and harming the common interests of shareholders, which the Company has worked to maintain and enhance.
Responsibilities of the Board of Directors	Based on the above recognition, the Board of Directors acknowledges the following as its responsibilities to ensure that shareholders can make appropriate decisions. • 1) Requiring the Large-Scale Acquirer to provide shareholders with the necessary and sufficient information for their decision-making • 2) Evaluating and reviewing the impact of the Large-Scale Acquirer's proposal on the Company's corporate value and the common interests of shareholders, and providing the results as a reference for shareholders when making their decision. • 3) Engaging in negotiations or discussions with the Large-Scale Acquirer regarding the Large-Scale Acquisition or the Company's management policies, or alternatively, presenting shareholders with an alternative management policy proposed by the Board of Directors.
Holding a Shareholder Confirmation Meeting as a Forum for Shareholder Decision-Making	• When a large-scale purchaser intends to execute a large-scale purchase action, it should be a prerequisite that shareholders are provided in advance with sufficient time and information necessary to examine the purpose and details of the proposed action and determine whether to approve it. • As long as the large-scale purchaser complies with the procedures stipulated in the Response Policy, the Board of Directors will convene a Shareholder Confirmation Meeting as a forum for shareholders to evaluate and decide on the proposed large-scale purchase action before triggering any countermeasures under the Response Policy. • If, at the Shareholder Confirmation Meeting, shareholders express their consent to the proposed large-scale purchase action, the Board of Directors will not take actions to substantively obstruct the transaction, provided that the large-scale purchase action is conducted in accordance with the conditions and details disclosed at the meeting.
Conditions for Triggering Countermeasures	Countermeasures under this Response Policy will only be implemented with the utmost respect for the recommendation of the Independent Committee if either of the following conditions is met: • (a) The Shareholder Confirmation Meeting grants approval, and the large-scale purchaser does not withdraw the large-scale purchase action; or • (b) The large-scale purchaser fails to comply with the procedures set forth in the Response Policy and attempts to execute a large-scale purchase action.

Response Policy on Large-Scale Acquisition of the Company's Shares – Purpose & Overview

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To prevent inappropriate parties, as determined under the Fundamental Policy, from controlling the decision-making process regarding the Company's financial and business policies, the Company has introduced this Response Policy as a countermeasure.

Purpose	• To enable the Company's shareholders to make an informed decision on whether the proposed large-scale acquisition hinders the maximization of the Company's corporate value and the common interests of shareholders, by **first requiring the acquirer to provide necessary and sufficient information.** • **To ensure shareholders have sufficient time to carefully consider the feasibility and appropriateness of the proposed large-scale acquisition** based on the provided information.
Procedures Related to This Response Policy	• If approval is obtained at the Shareholder Intent Confirmation Meeting, and the large-scale acquisition is not withdrawn, the Company will implement the prescribed countermeasures, fully respecting the opinion of the Independent Committee. • If the acquirer does not comply with the prescribed procedures and attempts to execute a large-scale acquisition, the Board of Directors will implement the prescribed countermeasures, fully respecting the opinion of the Independent Committee.
Establishment of the Independent Committee	• The purpose of the Independent Committee is to ensure the proper implementation of this Response Policy, prevent arbitrary decisions by the Board of Directors, and guarantee objectivity and reasonableness in decision-making. • The Independent Committee, established under the Independent Committee Rules, consists of two independent outside directors and one independent outside auditor. (Additionally, Junko Suzuki, who was appointed as an outside director at the Annual General Meeting of Shareholders on March 27, 2025, succeeded the independent outside auditor as a member of the Independent Committee after the conclusion of the meeting.) • The Independent Committee will provide recommendations to the Board of Directors regarding whether to implement countermeasures and other necessary actions under this Response Policy. The Board of Directors will fully respect these recommendations in making its final decision on the implementation of countermeasures and other necessary actions.
Utilization of Gratis Allotment of Stock Acquisition Rights as a Countermeasure	If countermeasures are activated, stock acquisition rights with the following discriminatory acquisition clauses will be allotted to all shareholders via a gratis allotment method: • Stock acquisition rights held by ineligible persons (Non-Qualified Persons) will not be exercisable, as stipulated by discriminatory exercise conditions. • Stock acquisition rights held by eligible shareholders will be acquired in exchange for the Company's common shares, while stock acquisition rights held by ineligible persons will be acquired in exchange for a different set of stock acquisition rights that are subject to specific exercise conditions and acquisition clauses.
Acquisition of the Stock Acquisition Rights by the Company	• If the gratis allotment of the stock acquisition rights is executed in accordance with this Response Policy, and the Company acquires the stock acquisition rights in exchange for issuing shares of the Company to shareholders other than ineligible persons, the shareholding ratio of ineligible persons in the Company's shares will be diluted to a certain extent.

Impact on Shareholders and Investors

Impact at the Time of Response Policy Introduction (March 19, 2025)

- At the time of the introduction of this Response Policy, the gratis allotment of stock acquisition rights will not be implemented. Therefore, **there will be no direct or tangible impact on the rights or economic interests of shareholders and investors.**

Impact at the Time of Countermeasures Activation (Gratis Allotment of Stock Acquisition Rights)

- The stock acquisition rights will be automatically allocated to all shareholders, ensuring that **no shareholders lose their rights due to the allotment.**
- While the gratis allotment of stock acquisition rights may lead to dilution of the value per share of the company's stock held by shareholders, it will not result in dilution of the overall value of the shares held by shareholders. Therefore, **no direct or tangible impact on the legal rights or economic interests of shareholders and investors is anticipated.**
- Before the exercise period begins, the company plans to forcibly acquire all allocated stock acquisition rights under the predetermined acquisition provisions and issue company shares in exchange for those rights that meet the exercise conditions.
- However, in the event that the countermeasures are activated, certain designated ineligible persons (such as large-scale purchasers) may ultimately face disadvantages concerning their legal rights or economic interests.
- In the event that the Company conducts a gratis allotment of stock acquisition rights, a record date will be set to determine the shareholders eligible to receive the allotment. Since the gratis allotment of stock acquisition rights may result in the dilution of the value per share of the Company's stock, there is a possibility that the stock price may decline after the shareholders eligible for the allotment have been determined.
- If the Company‘s Board of Directors determines that the activation of countermeasures is no longer necessary after initiating the procedures for their implementation (for example, if the large-scale purchaser withdraws the large-scale purchase action and pledges not to conduct such actions in the future), the Board may suspend or cancel the activation of the countermeasures. (In such cases, timely and appropriate disclosure will be made in accordance with applicable laws and regulations.) Shareholders and investors who engaged in trading based on the assumption that dilution of the value per share of the Company's stock would occur may suffer corresponding losses due to fluctuations in stock prices if any of these situations arise.

Procedures Required for Shareholders at the Time of Gratis Allotment of Share Options

- **No special procedures are required for the gratis allotment of share options**.
- Regarding the acquisition of share options, if the Company acquires the share options based on the acquisition clauses, **shareholders will receive common shares of the Company as consideration for the acquisition of share options without making any cash payment equivalent to the exercise price.**
- However, for ineligible persons, the handling of the acquisition or exercise of the share options may differ from that of other shareholders.

(Note) For further details, please refer to the disclosure dated March 19, titled "Notice Regarding Receipt of Notification from Mr. Hiroyuki Maki of Intended Commencement of Tender Offer and Introduction of the Company's Response Policy to Secure Corporate Value and Common Interests of Shareholders (Introduction of the Fundamental Policy Regarding Control of the Company and Response Policy for Large-Scale Purchase of the Company's Shares)."

Mechanisms to Enhance the Rationality of This Response Policy

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This Response Policy respects various guidelines related to takeover defense measures and appropriately designs the decision-making process, structure, and system to create **a highly rational framework that respects the intentions of shareholders.**

Compliance with the Intent of Guidelines on Takeover Defense Measures in Normal Times

While this Response Policy differs from pre-warning-type takeover defense measures, it has been formulated in consideration of the guidelines and corporate governance codes set forth by the Ministry of Economy, Trade and Industry, the Ministry of Justice, and the Tokyo Stock Exchange. Among the requirements set by these guidelines, those applicable to emergency response policies are also satisfied by this

Respect for Shareholder Intent (A Mechanism That Directly Reflects Shareholder Intent)

The activation of countermeasures is determined through a shareholder intent confirmation meeting, which directly reflects the shareholders' will. As long as the large-scale buyer follows the procedures, the activation of countermeasures will be decided based on shareholder intent. If the procedures are not followed and the acquisition is forced, the Board of Directors will activate the countermeasures with maximum respect for the opinion of the Independent Committee. **The validity period of the Response Policy is set until the conclusion of the Board of Directors meeting following the 2026 Annual General Meeting of Shareholders, ensuring that shareholder intentions are respected.**

Elimination of Arbitrary Decisions by the Board of Directors

To prevent the Board of Directors from unilaterally activating countermeasures, decisions are based on the results of the shareholder intent confirmation meeting. Additionally, even if the acquirer does not follow legitimate procedures, the opinion of the Independent Committee will be respected to eliminate arbitrary decisions. Furthermore, the Independent Committee receives advice from external experts (financial advisors, lawyers, certified public accountants, etc.) to ensure fairness and rationality.

Not a Dead-Hand or Slow-Hand Type Takeover Defense Measure

This Response Policy can be abolished at any time by a resolution of the Board of Directors, and it is not a dead-hand type (where the measure remains in place even if the Board members are replaced) or a slow-hand type (where replacing the Board members takes time, making it difficult to block activation).

Response Policy - Targeted Large-Scale Acquisition Activities

- Acquisition of the Company's shares, etc., with the objective of increasing the voting rights ratio of a specific shareholder group to 20% or more.
- Acquisition of the Company's shares, etc., resulting in the voting rights ratio of a specific shareholder group reaching 20% or more.
- Regardless of whether the above-mentioned actions are executed, any actions taken by a specific shareholder group of the Company involving other shareholders of the Company, and as a result of such actions, if such other shareholders come to qualify as joint holders of the specific shareholder group, or any agreements or other actions that reasonably establish a relationship in which one party substantially controls the other or in which they act jointly or in coordination.

* "Large-Scale Acquirer" refers to any party that conducts or intends to conduct large-scale acquisition activities independently or jointly/in coordination with others.

Response Policy - Procedures for Large-Scale Acquisition Activities

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① Submission of a Statement of Intent for Large-Scale Acquisition Activities

A large-scale acquirer is required to submit a written Statement of Intent for Large-Scale Acquisition Activities to the Board of Directors at least 60 business days prior to executing any activity that qualifies as a large-scale acquisition following the implementation of this Response Policy.

② Provision of Information

The large-scale acquirer must, within five business days after the Board of Directors receives the Statement of Intent for Large-Scale Acquisition Activities, provide the necessary information that the shareholders would reasonably require in order to determine, at the Shareholders' Confirmation Meeting, whether to accept or reject the large-scale acquisition activities.

③ Board Evaluation Period

The Board of Directors shall set a period, within 60 business days from the date of receipt of the Statement of Intent for Large-Scale Acquisition Activities, for evaluating and assessing whether the large-scale acquisition should proceed.

Note: If the Board determines that an adequate evaluation is difficult to conduct within this period, it may extend the evaluation period to the minimum necessary extent based on the recommendation of the Independent Committee. In such a case, the Company will disclose the reason for the extension and the additional period granted.

④ Convening of the Shareholders' Confirmation Meeting

If the Board of Directors opposes the large-scale acquisition and believes that defensive measures should be triggered, it will decide to convene the Shareholders' Confirmation Meeting within 60 business days from the receipt of the Statement of Intent for Large-Scale Acquisition Activities.

At the Shareholders' Confirmation Meeting, shareholders will express their will regarding whether to accept or reject the large-scale acquisition activities through a formal resolution on the implementation of defensive measures.

⑤ Countermeasures

If the proposal to implement countermeasures is approved at the Shareholders' Confirmation Meeting and the large-scale acquirer does not withdraw the acquisition, the Board of Directors will execute the defensive measures.

If the proposal to implement defensive measures is not approved, no countermeasures will be executed.

Countermeasure (Issuance of Stock Acquisition Rights Without Compensation) - Overview

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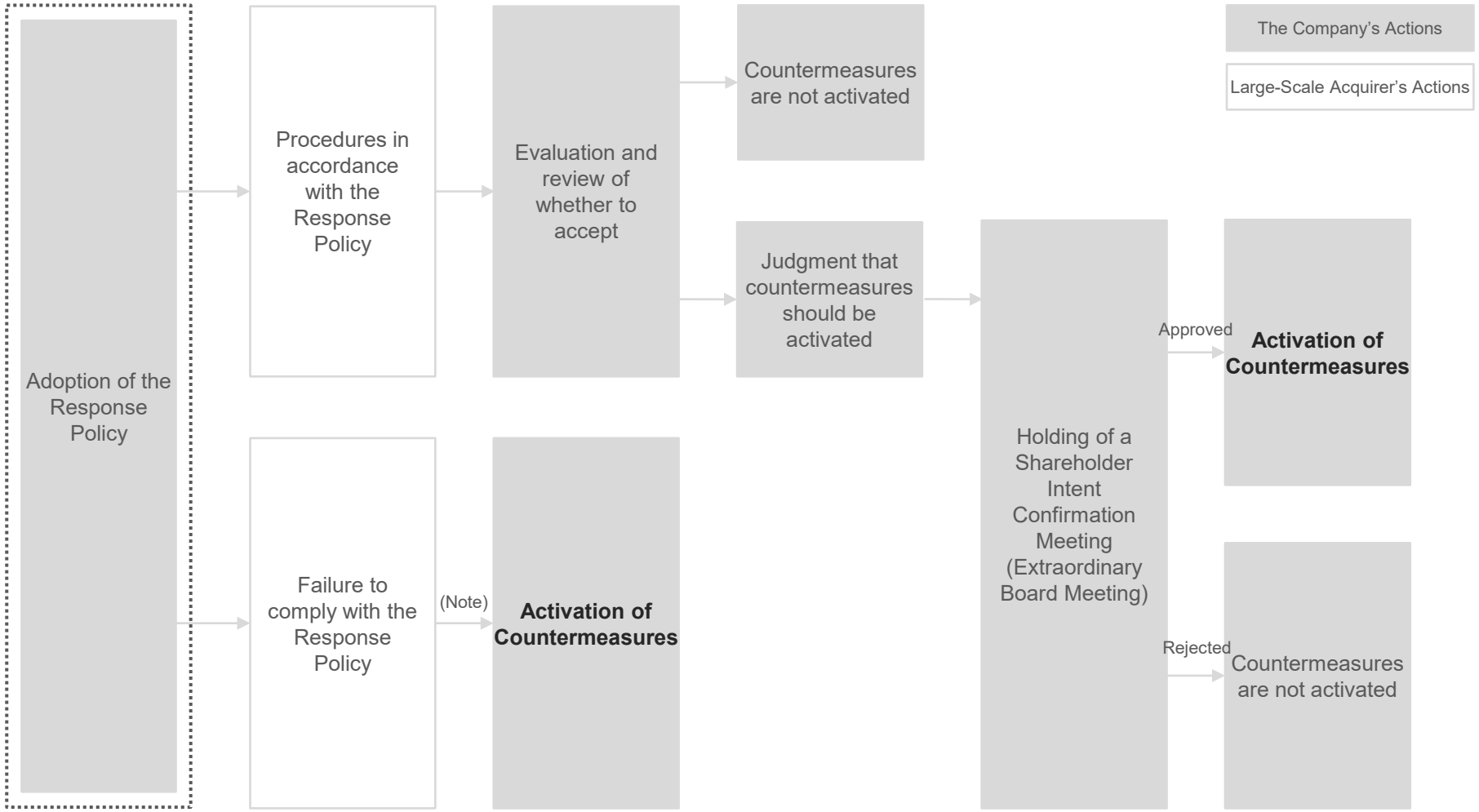
Type of Shares to Be Issued	• Common shares of the Company
Number of Shares to Be Issued	• A number separately determined by the Board of Directors
Value of Assets to Be Contributed Upon Exercise	• The amount obtained by multiplying the number of shares to be issued per stock acquisition right by one yen.
Period During Which They Can Be Exercised	• A certain period determined separately by the Board of Directors.
Conditions for Exercising the Stock Acquisition Rights	• Stock acquisition rights held by non-qualified persons, including those they effectively hold, cannot be exercised. • The Company may determine specific requirements that must be met for exercising the stock acquisition rights, including necessary documents such as written statements, warranties, and supplementary pledges, along with any other necessary and reasonable information. • If regulatory authorities in applicable foreign jurisdictions or other factors impose restrictions or insufficient conditions on the exercise of the stock acquisition rights, the Company may refuse the exercise unless all relevant procedures and conditions are fully met.
Acquisition Clauses	• The Company may acquire unexercised stock acquisition rights from non-qualified persons by providing them with the number of shares equivalent to the number of shares they would have received upon exercise or compensate them accordingly. • The Company may acquire unexercised stock acquisition rights in exchange for stock acquisition rights of a different type with pre-determined contractual terms.
	(Conditions for Exercising the Second-Class Stock Acquisition Rights) Non-qualified persons may only exercise the second-class stock acquisition rights within the scope where the shareholding ratio of the large-scale acquirer, after exercising the rights, falls below 20% or another percentage separately determined by the Board of Directors, provided that the following conditions are met or as otherwise determined by the Board of Directors: • If the large-scale acquirer ceases or withdraws its large-scale acquisition activities and pledges not to conduct such activities in the future. • If the shareholding ratio of the large-scale acquirer falls below 20% or another percentage separately determined by the Board of Directors. • If the shareholding ratio of the large-scale acquirer is not within the range recognized by the Company as 20% or another percentage separately determined by the Board of Directors, but the large-scale acquirer or other non-qualified persons entrust a designated securities company recognized by the Company to dispose of their shares through on-market transactions. After such disposal, if the shareholding ratio of the large-scale acquirer falls below 20% or another percentage separately determined by the Board of Directors, the rights may be exercised. (Acquisition Clause for the Second-Class Stock Acquisition Rights) • If, on the day ten years after the issuance of the second-class stock acquisition rights, any of these rights remain unexercised, the Company may acquire the remaining unexercised second-class stock acquisition rights in exchange for monetary consideration equivalent to their market value at that time.

Flow Until the Activation of Countermeasures

he resolution at the March 19 Extraordinary Board Meeting is limited to the introduction of this Response Policy.



(Note) If the large-scale purchaser fails to comply with the procedures stipulated in the Response Policy and attempts to execute a large-scale purchase, shareholders will not have sufficient time to carefully consider the appropriateness of accepting such a purchase based on the information disclosed by the large-scale purchaser. Additionally, there will be no opportunity to confirm the shareholders' intentions regarding the acceptance of such a large-scale purchase. Therefore, in such cases, unless there are special circumstances, the Board of Directors will, without convening a Shareholder Intent Confirmation Meeting, trigger the countermeasures. In determining whether to implement the countermeasures, the Board of Directors will fully respect the opinion of the Independent Committee.

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