May 8, 2025

To Whom It May Concern:

Company name: SAN HOLDINGS, INC.
Representative name: Satoshi Harishima, President and Representative Director
(Securities code: 9628, Prime Market, Tokyo Stock Exchange)
Inquiries: Yoshiyuki Yokota, Director, Executive Officer, General Manager of Corporate Planning Department
(Tel: +81-6-6226-0038)

Update of Measures to Address Large-Scale Acquisitions of the Company's Shares (Response Policy for Corporate Takeovers)

At the 93rd Ordinary General Meeting of Shareholders held on June 24, 2022, the Company obtained the approval of its shareholders for updating measures to address large-scale acquisitions of the Company's shares (takeover defense measures) (hereinafter referred to as the "Previous Plan"), but the effective period of the Previous Plan is until the conclusion of the 96th Ordinary General Meeting of Shareholders (hereinafter referred to as the "Ordinary General Shareholders' Meeting") scheduled to be held in late June 2025.In advance of the expiration of the Previous Plan, we have decided at the Board of Directors meeting held on May 8, 2025, subject to the approval of our shareholders at the upcoming Ordinary General Meeting of Shareholders, to update the Previous Plan (the updated plan shall be referred to as the "Plan" hereinafter) as a measure to prevent the decision-making regarding our financial and business policies from being controlled by individuals deemed unsuitable (Article 118, Paragraph 3, B(2) of the Ordinance for Enforcement of the Companies Act) in accordance with our "Basic Policy on the Composition of Persons to Control Decision-Making over the Company's Financial and Business Policies" (as defined in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; hereinafter referred to as the "Basic Policy"), and hereby notify you of the following.

The Plan has been revised to reflect recent court rulings and practical trends regarding response policies and countermeasures against acquisitions, including a partial revision of the definitions of target acquisitions, the addition of information to be provided by acquiring parties, and the addition and adjustment of the terms and conditions of stock acquisition rights, as well as the revision and reorganization of certain terms and phrases, but there are no changes to the basic scheme.

In addition, all three (3) members of the Company's Audit & Supervisory Board, which includes two (2) outside auditors, attended the meeting of the Board of Directors that decided on the specific details of the Plan, and all auditors approved the update to the Plan.

Please note that, at this point in time, we have not received any notification or proposal from any specific third party regarding a large-scale acquisition of the Company's shares.

1. Basic Policy on the Composition of Persons to Control Decision-Making over the Company's Financial and Business Policies

We believe that those who control the decision-making process regarding the Company's financial and business policies must understand the source of the Company's corporate value and be capable of ensuring and enhancing the Company's corporate value and, ultimately, the common interests of shareholders on a continuous and sustainable basis.

The Company believes that any decision on whether to accept a proposal for the large-scale acquisition of shares, etc., should ultimately be made based on the inclination of shareholders. In addition, if a large-scale acquisition of the Company's shares occurs, the Company will not oppose such acquisition if it is deemed to contribute to the preservation and enhancement of the Company's corporate value and the common interests of its shareholders. However, among proposals for large-scale acquisition of the Company's shares, some cases infringe upon the corporate value and the common interests of shareholders based on their purpose, manner, etc., those that may effectively compel shareholders to sell their shares, those that do not provide sufficient time or information for the Board of Directors or shareholders of the target company to review the details of the large-scale acquisition of shares, or for the Board of Directors of the target company to propose alternative proposals, or those that require the target company to engage in negotiations with the acquiring party to secure more favorable terms than those proposed by the acquiring party, among other things, which do not contribute to the corporate value or the common interests of shareholders of the target company.

The source of our Group's corporate value lies in our people and our organization. If a party acquiring a large number of the Company's shares does not understand the sources of the Company's corporate value and is unable to secure and enhance them over the medium to long term, the corporate value of the Company and, consequently, the common interests of shareholders will be compromised.

The Company believes that any party that engages in the large-scale acquisition of the Company's shares that does not contribute to the Company's corporate value or the common interests of its shareholders is unsuitable to control the Company's financial and business policies, and that the Company must take necessary and appropriate countermeasures against such large-

scale acquisitions to protect the Company's corporate value and, ultimately, the common interests of its shareholders.

2. Special initiatives that contribute to the realization of the Basic Policy

(1) The Company's management policy

The mission of the San Holdings Group's corporate philosophy, "A partner for making people's lives even more fulfilling and enjoyable" means that we will continue to strive to create new value by developing new businesses and shifting from a funeral service provider to a comprehensive end-of-life support company, and that our purpose in society is to enrich the lives of our customers and local communities and make them feel the joy of living through our products and services.

Our vision is to become a company that stands by people, creating joy and happiness in their lives, generating new value and high added value, achieving sustainable and stable growth, and where every employee acts proactively and continues to take on challenges with passion.

Our values summarize what we, as a Group, consider important to achieve our mission and vision.

In addition, in April 2022, we redefined our raison d'être and value in society, and formulated the purpose of our Group to "be a dependable end-of-life partner by moving even closer to the senior generation and their family members."

Based on this purpose and our corporate philosophy, we will continue to promote initiatives that contribute to society in an era of 100-year lifespans.

(2) Initiatives to enhance corporate value

Recently, in addition to other companies in the same industry, new entrants from other industries have been entering the end-of-life care industry, and with the declining population and the significant aging of society, the values and needs of customers are changing significantly. In light of these changes in the business environment, the Company formulated its "10-Year Vision" in 2022 as its future vision leading up to 2032, the 100th anniversary of its founding. This vision sets forth the following two key policies: (1) strengthening our business foundation by expanding our nationwide network of stores, and (2) realizing new value through the expansion of our end-of-life support business. Specifically, we aim to establish a network of 210 funeral halls as a Group by FY2031, while expanding services that contribute to improving the quality of life for senior citizens and their families in our end-of-life support business, with sales expected to reach 10 billion yen in the same fiscal year.

In the fiscal year ended March 31, 2025, in addition to opening our own funeral halls, we acquired Kizuna Holdings Corp. through a tender offer, resulting in a total of 267 funeral halls

operated by the Group, thereby achieving our expansion target for the funeral business ahead of schedule. We have set a new goal of increasing the number of funeral halls to 550 and will continue to strive for further expansion.

Based on these accomplishments, in April 2025, we launched a new “Medium-term Management Plan (FY2025-FY2027)” as a new step forward. We will continue to strengthen our efforts to further enhance corporate value and achieve further growth, with the aim of steadily realizing our “10-Year Vision”.

In the Medium-term Management Plan (FY2025-FY2027), we will focus on the following four priority themes.

1. Growth

We will continue to actively promote the opening of stores in major cities across Japan in order to expand our business foundation. In terms of measures to increase the number of stores, we will accelerate our in-house expansion centered on the family funeral brands “ENDING HAUS” and “Famille Corp.,” while also utilizing M&A and partnerships with other businesses to achieve growth for the Group as a whole. In addition, in the end-of-life support business, we will promote sales growth and business expansion through the development of new services, the expansion of existing businesses, and the expansion of grief care support activities.

2. Quality

We will strengthen our quality management system to provide high-quality, high-value-added services that are the source of our corporate value, and further refine the quality of our services, which is one of our strengths. We will also work to enhance measures for the early development of human resources who provide funeral services and ensure quality, with the aim of improving our service provision capabilities. We will continue to strive to provide the most satisfying and memorable services in Japan, thereby differentiating ourselves from our competitors and establishing a sustainable competitive advantage.

3. Change

As part of our efforts to transform our business, we will promote post-merger integration (PMI) with Kizuna Holdings Corp., and proceed with the sharing of functions and expertise, as well as the integration and optimization of overlapping functions. This will improve management efficiency and further enhance the governance structure of the Group as a whole. Furthermore, with the integration of Kizuna Holdings Corp., we will change our accounting period, which is currently during the busiest time of the year (end of March), to the end of August, thereby mitigating the impact of seasonal fluctuations on operating revenue and improving operational efficiency.

4. Sustainability

In order to achieve sustainable growth and enhance corporate value over the mid- to long term, we will focus on human capital management and promote the recruitment and development of human resources with the skills and expertise necessary to achieve our vision. We will establish the “San Business Academia,” an educational institution for both individuals within and outside the Group, to strengthen our human resource development foundation, and we will continue to implement measures to improve engagement and strengthen our organizational capabilities.

In addition, we will strive to enhance corporate value and achieve a PBR ratio of 1x as soon as possible through management practices that take into account capital costs and capital profitability. In addition to improving efficiency by adopting ROE as a capital profitability indicator, we will promote the disclosure of our capital allocation policy, strengthen our IR functions, and enhance shareholder returns based on a progressive dividend policy. Furthermore, through proactive ESG and SDGs initiatives, we will strive to achieve both the resolution of social issues and the enhancement of corporate value.

Through these initiatives, we will respond to changing social needs, establish our position as a leading company in the end-of-life care sector, and achieve sustainable corporate value enhancement.

(3) Initiatives to strengthen and enhance corporate governance

We have prioritized the strengthening and enhancement of corporate governance as one of our most important management issues to ensure transparent management, which is one of our basic management policies, and to increase corporate value continuously.

Since the Ordinary General Meeting of Shareholders held in June 2016, our Board of Directors has consisted of six (6) directors, including two (2) highly independent outside directors. We have been overseeing management by leveraging the external perspectives of our outside directors.

In addition, for the directors (excluding outside directors) of the Company, we allocate a portion of their compensation in the form of restricted shares of the Company’s common stock, which are granted once a year, but we have introduced a system that allows for malus (reduction or forfeiture of restricted shares during the transfer restriction period) and clawback (return of restricted shares after transfer restrictions are lifted) provisions to be triggered in the event of significant revisions to financial statements or other adverse events, thereby providing incentives that contribute to the enhancement of corporate value while ensuring transparency and fairness. In addition, we have established a Nomination Committee and a Remuneration

Committee to ensure objectivity and transparency in the procedures for the nomination and remuneration of directors and other officers, thereby enhancing the supervisory function of the Board of Directors and further strengthening our corporate governance functions.

3. Contents of the Plan (efforts to prevent the decision-making regarding the Company's financial and business policies from being controlled by parties deemed unsuitable in light of the Basic Policy)

(1) Purpose of the Plan

As stated in 1. above, even if a large-scale acquisition of the Company's shares is made, the Company will not reject it if it is deemed to be beneficial to the corporate value of the Company and the common interests of its shareholders. However, there are many cases where large-scale acquisitions of shares do not contribute to corporate value or the common interests of shareholders.

When a large-scale acquisition of the Company's shares occurs, we believe that it is essential to have a framework in place to prevent such acquisitions that may be detrimental to the corporate value of the Group and the common interests of its shareholders, including ensuring that shareholders have the necessary information and time to decide whether to accept the acquisition, enabling the Board of Directors to propose alternative proposals to shareholders, and conducting negotiations on behalf of shareholders.

This Plan is intended to ensure that our corporate value and, ultimately, the common interests of our shareholders are continuously and sustainably protected and enhanced. We believe that it is in line with the Basic Policy described in "1. Basic Policy on the Composition of Persons to Control Decision-Making over the Company's Financial and Business Policies" above.

(2) Overview of the Plan

(a) Establishment of procedures for the implementation of the gratis allotment of stock acquisition rights, etc. based on this plan

This Plan establishes procedures for ensuring that, in the event of a tender offer for the Company's shares or any similar action or proposal (excluding those deemed favorable by the Board of Directors, hereinafter referred to as an "Acquisition, etc."), the Company will request the party making the Acquisition, etc. (hereinafter referred to as the "Purchaser, etc.") to provide information regarding the Acquisition, etc. in advance, secure sufficient time to collect and review information regarding the Acquisition, etc., and then present the Company's management's plans and alternative proposals to the shareholders and engage in negotiations with the Purchaser, etc. (see (3) "Procedures for

the implementation of the gratis allotment of stock acquisition rights, etc. based on this plan" below).

(b) Use of gratis allotment of stock acquisition rights, etc.

If the Purchaser, etc. engages in an Acquisition, etc. without following the procedures specified in this Plan, or if it is deemed that the corporate value of the Group or the common interests of shareholders may be harmed (for details of these requirements, please refer to (4) "Requirements for the Gratis Allotment of Stock Acquisition Rights, etc." below), the Company shall allocate the Stock Acquisition Rights, which are subject to the exercise condition that the exercise of rights by the relevant Purchaser, etc. shall not be permitted, and the acquisition clause that the Company shall acquire the Stock Acquisition Rights in exchange for the Company's shares from persons other than the relevant Purchaser, etc. (the main details are described below in (5) "Overview of the Gratis Allotment of Stock Acquisition Rights, etc." and are hereinafter referred to as the "Stock Acquisition Rights"), to all shareholders at that time by way of a gratis allotment of Stock Acquisition Rights (as stipulated in Article 277 onwards of the Companies Act), or shall take other reasonable [1]measures available under applicable laws and regulations and the Company's Articles of Incorporation (hereinafter, these measures shall be collectively referred to as the "Gratis Allotment of Stock Acquisition Rights, etc.").

(c) Involvement of an Independent Committee to eliminate arbitrary decisions by directors

In this Plan, to prevent arbitrary decisions by directors regarding the implementation or non-implementation or Gratis Allotment of Stock Acquisition Rights, etc., the decision shall be made by an Independent Committee consisting of three (3) or more members who are (i) outside directors of the Company, (ii) outside auditors of the Company, or (iii) outside experts who are independent from the management of the Company, in accordance with the Independent Committee Rules (please refer to Appendix 1 for details), and transparency will be ensured by timely disclosing information to all shareholders. In addition, when the Board of Directors intends to implement this Plan, it will, in principle, convene a general shareholders' meeting to confirm the shareholders' intentions regarding the implementation of the Gratis Allotment of Stock Acquisition Rights, etc.

The initial Independent Committee upon renewal of the Plan will consist of two (2) highly independent outside directors and two (2) outside auditors. The names and brief biographies of the committee members are listed in Appendix 2 (please refer to Appendix 1 for the selection criteria, resolution requirements, and resolution items for the appointment of Independent Committee members following the update).

(d) Exercise of the Stock Acquisition Rights and acquisition of the Stock Acquisition Rights

[1] Specifically, it is possible to consider, for example, passing a resolution at the general shareholders' meeting requesting the Purchaser, etc., to suspend the Acquisition, etc.

by the Company

In the event of a Gratis Allotment of Stock Acquisition Rights, etc. by this Plan and exercised by shareholders other than the Purchaser, etc., or if the Purchaser, etc. acquires the Stock Acquisition Rights in exchange for the delivery of shares of the Company to shareholders other than the Purchaser, etc., the voting rights ratio of the Purchaser, etc. in the Company may be diluted to a maximum of approximately 50%.

(3) Procedures for the implementation of the Gratis Allotment of Stock Acquisition Rights, etc. based on this Plan

(a) Target Acquisitions, etc.

This Plan shall apply when any of the following 1) to 3) applies to an Acquisition, etc.:

1) Acquisition, etc. of shares, etc.[2] issued by the Company whereby the shareholding ratio of the holder of the shares, etc.[3][4] becomes 20% or more

2) A tender offer for shares, etc., issued by the Company[5], where the total percentage of shares, etc., held by the [6]tender offeror [7]and its special related parties[8] in the tender offer exceeds 20% of the total number of shares, etc., subject to the tender offer

3) Regardless of whether or not any of the actions stipulated in items 1) or 2) above are carried out, an act conducted between a specific shareholder of the Company and

---

[2] Defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. Unless otherwise specified in this document, the same shall apply.

[3] Includes persons deemed to be holders under Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act (including persons deemed to be such by the Board of Directors). The same shall apply hereinafter in this document.

[4] Defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply in this document, but to calculate the shareholding ratio of such share certificates, etc., (i) special related parties as defined in Article 27-2, Paragraph 7 of the Act, and (ii) investment banks, securities companies, and other financial institutions that have entered into financial advisory agreements with specific shareholders of the Company, as well as the tender offer agents and lead underwriters of such specific shareholders (hereinafter referred to as "Contracted Financial Institutions, etc."), shall be deemed to be joint holders of specific shareholders of the Company for this Plan. In calculating the shareholding ratio, the total number of shares issued by the Company shall be based on the most recent information disclosed by the Company.

[5] Defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply in 2) below.

[6] Defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act. The same shall apply hereinafter in this document.

[7] Defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter in this document.

[8] Defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including persons deemed by the Board of Directors to fall under this category). However, for the persons listed in Item 1 of the same paragraph, this excludes persons specified in Article 3, Paragraph 2 of the Cabinet Office Ordinance on Disclosure of Public Tender Offers for Share Certificates, etc. by Persons Other than Issuers. In addition, (i) joint holders and (ii) Contracted Financial Institutions, etc., shall be deemed to be special related parties of the specific shareholder. Unless otherwise specified, the same shall apply throughout this document.

other shareholders of the Company (including cases where there are multiple such shareholders; the same applies hereinafter in item 3)), which results in an agreement or other arrangement whereby such other shareholders come to be considered joint holders [9] with the specific shareholder, or the establishment of a relationship between the specific shareholder and such other shareholders whereby one effectively controls the other, or they act jointly [10] or in concert [11] (provided, however, that this shall apply only in cases where, with respect to share certificates, etc. issued by the Company, the combined shareholding ratio of the specific shareholder and such other shareholders amounts to 20% or more.)

(b) Submission of Letter of Intent

The Purchaser, etc. shall, before commencing or executing the Acquisition, etc. submit to the Company a document (signed or stamped by the representative of the Purchaser, etc.) containing a written pledge to comply with the procedures of this Plan, in a format separately specified by the Company, and a certificate of authority of the representative (hereinafter collectively referred to as the "Letter of Intent") who signed or affixed their seal to said document. The Letter of Intent shall clearly state the name or title of the Purchaser, etc., the address or location of the head office or office, the governing law, the name of the representative, contact information in Japan, and an overview of the proposed Acquisition, etc. The language used in the Letter of Intent and the purchase explanation document set forth in item (c) below shall be limited to Japanese.

(c) Requests for information from the Purchaser, etc.

The Company will deliver the purchase explanation document (defined below) to the Purchaser, etc. (including a list of information that the Purchaser, etc. shall provide to the Company) within ten (10) business days of receiving the Letter of Intent (not applicable on the first day; unless otherwise specified, the same shall apply to the method of calculating the period). The Purchaser, etc. shall submit to the Company, in the format

---

[9] This refers to a joint holder as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, and includes those who are deemed to be joint holders under Paragraph 6 of the same article (including those recognized by the Board of Directors as falling under this category). The same shall apply hereinafter in this document.

[10] To determine whether a relationship exists between the specific shareholder and the other shareholder—where one effectively controls the other, or where they act jointly or in concert—the evaluation will be based on factors such as the establishment of new equity ties, business partnerships, contractual or transactional arrangements, shared directorships, financial support or credit relationships, the creation of substantial interests in the Company's shares through instruments like derivatives or share lending, and the extent of direct or indirect influence these shareholder groups may have on the Company.

[11] The determination as to whether the actions set forth in item 3) have been taken shall be made by the Board of Directors reasonably, based on the recommendation of the Independent Committee. The Board of Directors may, to the extent it deems necessary for determining whether the requirements under item 3) of this document are satisfied, request the provision of relevant information from the Company's shareholders.

specified by the Company, a document (hereinafter referred to as the "Purchase Explanation Document") containing the information specified in each of the following items (hereinafter referred to as the "Required Information"), except in cases where the Board of Directors of the Company determines that the Acquisition, etc. is deemed favorable.

Upon receipt of the Purchase Explanation Document, the Board of Directors shall promptly provide it to the Independent Committee. Upon receiving such information, if the Independent Committee determines that the contents of the Purchase Explanation Document are insufficient as the Required Information, it may request the Purchaser, etc., directly or through the Board of Directors, to submit additional Required Information within a specified deadline (the maximum period shall be sixty (60) days from the day following the date of receipt of the Purchase Explanation Document). In such cases, the Purchaser, etc. shall provide the additional Required Information by the specified deadline.

1) Details of the Purchaser, etc. and its group (including joint holders, special related parties, and (in the case of a fund) each member and other constituents) (including specific names, capital structure, financial condition, details of transactions of the same type as the Purchase, etc., and the results thereof; if the Purchaser, etc. is already a shareholder of the Company, the names of all shareholders must also be provided)
2) Purpose, method, and details of the Acquisition, etc. (including the price and type of consideration for the Acquisition, etc., the timing of the Acquisition, etc., the structure of related transactions, the legality of the method of the Acquisition, etc., and information regarding the feasibility of the Acquisition, etc.)
3) Basis for calculating the price of the Acquisition, etc. (including the facts underlying the calculation, the calculation method, the numerical information used in the calculation, the content of synergies expected to arise from the series of transactions related to the Acquisition, etc., and the content of synergies to be distributed to other shareholders, etc.)
4) Backing of funds for Acquisitions, etc. (including the specific names of the providers of funds (including actual providers), methods of procurement, details of related transactions, etc.)
5) Whether there has been any communication with third parties regarding the Acquisition, etc., and, if so, the details of such communication (including the specific name, capital structure, financial condition, details of transactions of the same type as the Acquisition, etc., and the results thereof; if the third party is

already a shareholder of the Company, the names of all shareholders must also be provided)

6) Management policies, business plans, capital policies, and dividend policies of the Company and the Group after the Acquisition, etc.

7) Measures to continuously and stably enhance the corporate value of the Company and the Group after the Acquisition, and the basis for recognizing that such measures will improve the corporate value of the Company and the Group

8) Policy for dealing with employees, business partners, customers, and other stakeholders of the Company and the Group after the Acquisition, etc.

9) Specific measures to avoid conflicts of interest with other shareholders of the Company

10) Information regarding relationships with antisocial forces

11) Other information deemed reasonably necessary by the Independent Committee

In addition, if the Independent Committee determines that the Purchaser, etc. has commenced the Acquisition, etc. without complying with the procedures set forth in this Plan, the Independent Committee shall, except in cases where there are special circumstances that warrant continuing to request the submission of the Purchase Explanation Document and the Required Information and conducting discussions and negotiations with the Purchaser, etc., in principle recommend to the Board of Directors of the Company that it implement the Gratis Allotment of Stock Acquisition Rights, etc. as described in (e) 1) below.

(d) Consideration of the details of the Acquisition, etc., negotiations with the Purchaser, etc., and consideration of alternative proposals

1) Requests for information from the Board of Directors

When the Purchaser, etc. has submitted a Letter of Intent, a Purchase Explanation Document, and the Required Information, the Independent Committee may also request that the Board of Directors submit its opinions on the details of the Acquisition, etc., by the Purchaser, etc. (Including opinions that withhold or reserve judgment; the same shall apply hereinafter) along with supporting documents, alternative proposals (if any), and any other information the Independent Committee deems necessary, to compare the contents of the Purchase Explanation Document and the Required Information with the business plan and corporate valuation, etc. by the Board of Directors, from the perspective of ensuring and enhancing the corporate value and the common interests of the shareholders of the Company, within a reasonable period of time (taking into consideration the scale, social nature, and special characteristics of the Group's business, the period shall be limited to a maximum of thirty (30) days from the day following the date on which the Required Information is submitted).

2) Review by the Independent Committee

The Independent Committee shall, within sixty (60) days (however, in cases such as those described in (e) 3) below, the Independent Committee may extend the period by up to thirty (30) days; hereinafter referred to as the "Independent Committee Review Period") after receiving information deemed sufficient by the Independent Committee from the Purchaser, etc. (when requesting the above information, etc. from the Board of Directors) and the Board of Directors, review the details of the Acquisition, etc., by the Purchaser, etc., collect and compare information regarding the business plans, etc. of the Purchaser, etc. and the Board of Directors, and review alternative proposals provided by the Board of Directors. In addition, the Independent Committee shall, when deemed necessary, consult and negotiate with the Purchaser, etc., either directly or through the Board of Directors, to improve the details of the Acquisition, etc., from the perspective of ensuring and enhancing the corporate value and the common interests of the shareholders of the Company, or present alternative proposals to the shareholders, etc., through the Board of Directors, etc.

To ensure that the Independent Committee's decisions are made in a manner that is in the best interests of the Company's corporate value and the common interests of its shareholders, the Independent Committee may, at the Company's expense, obtain advice from independent third parties (including financial advisors, certified public accountants, attorneys, consultants, and other experts).

The Purchaser, etc., shall promptly respond to any request from the Independent Committee, either directly or through the Board of Directors, for the provision of review materials or other information, or consultation or negotiation.

(e) Procedures for recommendations by the Independent Committee

The Independent Committee shall, in the event that a Purchaser, etc. appears, make recommendations, etc. to the Board of Directors in accordance with the following procedures.

1) If the Independent Committee recommends the implementation of the Gratis Allotment of Stock Acquisition Rights, etc., based on this Plan

If the Purchaser, etc. fails to comply with the procedures set forth in this Plan, or if, as a result of its review of the details of the Acquisition, etc., by the Purchaser, etc., the Independent Committee determines that the Acquisition, etc. falls under any of the requirements specified in (4) "Requirements for the Gratis Allotment of Stock Acquisition Rights, etc." and deems the implementation of such allotment appropriate, the Independent Committee shall recommend to the Board of Directors that the Gratis Allotment of Stock Acquisition Rights, etc. be carried out, regardless of whether the Independent Committee review period has commenced or concluded.

However, even after once recommending the implementation of the Gratis Allotment of Stock Acquisition Rights, etc., the Independent Committee may recommend the suspension (for example, in the case of a Gratis Allotment of Stock Acquisition Rights, etc., a new recommendation to cancel the Gratis Allotment of Stock Acquisition Rights, etc. until the day before the commencement date (until the effective date of the Gratis Allotment of Stock Acquisition Rights, etc.) of the exercise period (as defined in (f) of (5) "Overview of the Gratis Allotment of Stock Acquisition Rights, etc." below) or (after the effective date of the gratis allotment) to acquire the Stock Acquisition Rights, etc. for no consideration after the effective date of the Gratis Allotment of Stock Acquisition Rights, etc.) or cancellation of the implementation of the Gratis Allotment of Stock Acquisition Rights, etc. until the day before the date of implementation if it determines that any of the following circumstances apply:

(a) If the Purchaser, etc., withdraws the Acquisition, etc., after the recommendation, or if the Acquisition, etc., ceases to exist for any other reason

(b) If there are changes in the facts and circumstances that formed the basis for the determination of the recommendation, and the Acquisition, etc. by the Purchaser, etc. no longer meets any of the requirements set forth in (4) "Requirements for the Gratis Allotment of Stock Acquisition Rights, etc.," or even if it does meet the requirements, it is no longer appropriate to implement the Gratis Allotment of Stock Acquisition Rights, etc. or to permit the exercise thereof

2) If the Independent Committee recommends the non-implementation of the Gratis Allotment of Stock Acquisition Rights, etc., based on this Plan

If the Independent Committee determines, based on its review of the details of the Acquisition, etc., by the Purchaser, etc., and the results of consultations and negotiations with the Purchaser, etc., that the Acquisition, etc. by the Purchaser, etc. does not meet any of the requirements set forth in (4) "Requirements for the Gratis Allotment of Stock Acquisition Rights, etc.," or even if it does meet such requirements, that it is not appropriate to implement the Gratis Allotment of Stock Acquisition Rights, etc., the Independent Committee shall, regardless of whether the Independent Committee review period has ended, recommend to the Board of Directors not to implement the Gratis Allotment of Stock Acquisition Rights, etc.

However, even after once recommending that the Gratis Allotment of Stock Acquisition Rights, etc. not be implemented, the Independent Committee may, if there are changes in the facts and circumstances that formed the basis for its recommendation and the requirements set forth in (1) above are satisfied, make a new

determination, including a recommendation that the Gratis Allotment of Stock Acquisition Rights, etc. be implemented, and recommend such determination to the Board of Directors.

3) If the Independent Committee extends the period for considering whether to recommend the implementation or non-implementation of the Gratis Allotment of Stock Acquisition Rights, etc., based on this Plan

If the Independent Committee fails to make a recommendation on whether to implement or not to implement the Gratis Allotment of Stock Acquisition Rights, etc. by the end of the Independent Committee Review Period, the Independent Committee shall resolve to extend the Independent Committee Review Period to the extent reasonably necessary for reviewing the details of the Acquisition, etc. by the Purchaser, etc., negotiating with the Purchaser, etc., and considering alternative proposals (however, the total extension period shall not exceed thirty (30) days).

If the Independent Committee Review Period is extended under the above resolution, the Independent Committee shall continue to collect information, conduct reviews, etc., and shall make its utmost efforts to make a recommendation on whether or not to implement the Gratis Allotment of Stock Acquisition Rights, etc., within the extended period.

(f) Holding a general shareholders' meeting to confirm the shareholders' intentions

The Board of Directors shall, if the Independent Committee recommends that the Company should implement the Gratis Allotment of Stock Acquisition Rights, etc. or if the Independent Committee fails to make a recommendation on whether to implement or not to implement the Gratis Allotment of Stock Acquisition Rights, etc. even after the extension of the review period under (e) 3) above, and the Board of Directors determines that the implementation of the Gratis Allotment of Stock Acquisition Rights, etc. is appropriate, promptly take steps to convene a general shareholders' meeting to approve the implementation of the Gratis Allotment of Stock Acquisition Rights, etc. as an agenda item, unless there are reasonable grounds such as the practical impossibility of holding the meeting. When implementing procedures for convening the general shareholders' meeting, the Board of Directors shall promptly disclose information in accordance with applicable laws and regulations and the rules of the financial instruments exchange regarding the summary of the Purchase Explanation Document and the Required Information, the opinion of the Board of Directors, the recommendation of the Independent Committee, and other matters deemed appropriate by the Board of Directors.

In addition, as a prerequisite for holding the general shareholders' meeting, the Board of Directors shall promptly set a record date (hereinafter referred to as the "Record Date for Confirmation of Voting Rights") for determining the shareholders who are entitled to

exercise their voting rights at the general shareholders' meeting, and shall make an announcement at least two (2) weeks before the record date. Shareholders who are entitled to exercise their voting rights at the general shareholders' meeting shall be those shareholders whose names are recorded in the final shareholder register as of the Record Date for Confirmation of Voting Rights.

Resolutions of the general shareholders' meeting shall be decided by a majority of the voting rights of shareholders who are entitled to exercise their voting rights and who are present at the meeting [12]. The results of the general shareholders' meeting shall be disclosed promptly after the resolution is passed. Furthermore, the Purchaser, etc., shall not make any Acquisition, etc., until a resolution is passed at the general shareholders' meeting of the Company to reject the implementation of the Gratis Allotment of Stock Acquisition Rights, etc.

(g) Resolution of the Board of Directors

The Board of Directors shall promptly make a resolution as the corporate organ under the Companies Act regarding the implementation of the Gratis Allotment of Stock Acquisition Rights, etc., if the implementation of the Gratis Allotment of Stock Acquisition Rights, etc., is approved at the shareholders' meeting held under the above (f), and shall implement such Gratis Allotment of Stock Acquisition Rights, etc. If the shareholders' meeting does not approve the implementation of the Gratis Allotment of Stock Acquisition Rights, etc., the Board of Directors shall comply with such decision.

If a shareholders' meeting to confirm the shareholders' intention based on the above (f) cannot be held for practical reasons or other reasonable grounds, the Board of Directors shall promptly make a resolution as a corporate body under the Companies Act regarding the implementation or non-implementation of the Gratis Allotment of Stock Acquisition Rights, etc., giving maximum consideration to the recommendation of the Independent Committee, if any.

Furthermore, until the Board of Directors resolves not to implement the Gratis Allotment of Stock Acquisition Rights, etc., based on this Plan, the Purchaser, etc., shall not conduct any Acquisition, etc.

(h) Disclosure of information

In implementing this Plan, the Company will disclose information timely in accordance with applicable laws and regulations or the rules of financial instruments exchanges, etc.,

[12] At the general shareholders' meeting, the shareholders' intentions will generally be confirmed by ordinary resolution, but taking into consideration various circumstances, including the purpose, method, and content of the Acquisition, etc., as well as the possibility of conflicts of interest between the Purchaser, etc. and general shareholders, the Purchaser, etc. and the Independent Committee may exclude from the calculation of the approval requirements those persons whom they deem to have a special interest in relation to the proposal.

regarding the progress of each procedure under this Plan (including the fact that the Letter of Intent and the Purchase Explanation Document have been submitted, the fact that the Independent Committee Review Period has commenced, and the fact that the Independent Committee Review Period has been extended and the reasons therefor), the summary of recommendations made by the Independent Committee, the summary of resolutions of the shareholders' meeting for confirming the will of shareholders, the summary of resolutions of the Board of Directors of the Company, and other matters deemed appropriate by the Independent Committee or the Board of Directors of the Company.

(4) Requirements for the Gratis Allotment of Stock Acquisition Rights, etc.

If the Company determines that the Acquisition, etc. by the Purchaser, etc. falls under any of the following categories and that it is appropriate to implement the Gratis Allotment of Stock Acquisition Rights, etc., the Company plans to implement the Gratis Allotment of Stock Acquisition Rights, etc. by resolution of the shareholders' meeting as described in (f) of (3) above "Procedures for the implementation of the gratis allotment of Stock Acquisition Rights, etc. based on this Plan" or by resolution of the Board of Directors as described in (g) of the same section. In addition, as described in (e) of (3) "Procedures for the implementation of the gratis allotment of Stock Acquisition Rights, etc. based on this Plan" above, whether or not it is appropriate to implement the Gratis Allotment of Stock Acquisition Rights, etc. in accordance with the following requirements will be determined based on the judgment of the Independent Committee.

Details

(a) In the event of an Acquisition, etc. that does not comply with the procedures stipulated in this Plan

(b) In the event that an Acquisition, etc. poses a clear risk of harming the corporate value of the Company or the common interests of shareholders through any of the following acts, etc.:

1) Acts of buying up shares, etc., and demanding that the Company purchase them at a high price

2) Acts that temporarily control the management of the Company and realize the interests of the Purchaser, etc., at the expense of the Company, such as acquiring important assets of the Company Group at low prices

3) Acts of diverting assets of the Group to be used as collateral for the debts of the Purchaser, etc., or its group companies, etc., or as a source of repayment for such debts

4) Acts intended to temporarily control the management of the Company, dispose of high-value assets that are not currently related to the business of the Group, and use

the proceeds from such disposal to pay temporary high dividends or sell out shares at high prices by taking advantage of the opportunity for a sharp rise in stock prices caused by the temporary high dividends

(c) In cases where the Acquisition, etc. involves a coercive two-tier takeover bid (refers to conducting a tender offer or other share purchase without soliciting the purchase of all shares in the initial bid, and setting unfavorable conditions for the second tier of the bid or failing to specify such conditions clearly) that may effectively force shareholders to sell their shares

(d) If the terms and conditions of the Acquisition, etc. (this includes the price and type of consideration for the Acquisition, etc., the timing of the Acquisition, etc., the legality of the method of the Acquisition, etc., the feasibility of the Acquisition, etc., the management policy and business plan after the Acquisition, etc., and the policy for dealing with other shareholders, employees, customers, business partners, and other stakeholders of the Company after the Acquisition, etc.) are significantly insufficient or inappropriate in light of the corporate value of the Company

(e) In the event of an Acquisition, etc. that can be objectively and reasonably determined to impair the corporate value of the Company significantly and, consequently, the common interests of shareholders, by destroying the relationships with the employees, customers, business partners, etc. of the Group, which are essential for creating the corporate value of the Company, or by destroying the brand value or corporate culture of the Group

(5) Overview of the Gratis Allotment of Stock Acquisition Rights, etc.

The overview of the Gratis Allotment of Stock Acquisition Rights, etc. based on this Plan is as follows:

(a) Number of stock acquisition rights

The total number of shares to be issued under the Gratis Allotment of Stock Acquisition Rights, etc. (however, the number of shares of the Company held by the Company at the same time shall be deducted) shall be equal to the number of our outstanding shares as of the date specified in the resolution of the Board of Directors or the resolution of the general shareholders' meeting (hereinafter referred to as the "Allotment Date") regarding the Gratis Allotment of Stock Acquisition Rights, etc. (hereinafter referred to as the "Resolution on the Allotment of Stock Acquisition Rights without Consideration").

(b) Shareholders subject to allotment

The Company shall allocate the Stock Acquisition Rights to shareholders other than the Company recorded in the final shareholder register of the Company as of the Allotment Date, at a ratio of one (1) stock acquisition right for each share of the Company held by such shareholders.

(c) Effective date of gratis allotment of Stock Acquisition Rights

The date shall be separately determined in the resolution for the gratis allotment of stock acquisition rights.

(d) Type and number of shares subject to Stock Acquisition Rights

The type of shares subject to the Stock Acquisition Rights shall be common shares, and the number [13]of shares subject to each stock acquisition right (hereinafter referred to as the "Number of Target Shares") shall be one share.

(e) Value of assets to be contributed upon exercise of Stock Acquisition Rights

The purpose of the investment to be made upon exercise of the Stock Acquisition Rights shall be cash. The value per share of the assets to be contributed upon exercise of the Stock Acquisition Rights shall be an amount determined separately in the resolution for the gratis allotment of Stock Acquisition Rights, within the range of not less than one (1) yen and not exceeding half of the market value of one (1) share of the Company's stock. The fair market value shall be the amount equivalent to the average closing price (including bid prices) of the Company's common shares on the Tokyo Stock Exchange (or, if the principal stock exchange has been changed, the applicable stock exchange) for each of the ninety (90) days preceding the resolution for the gratis allotment of stock acquisition rights (excluding days on which trading did not take place), and any fraction less than one (1) yen shall be rounded up.

(f) Exercise period for Stock Acquisition Rights

The date specified separately in the resolution for the gratis allotment of stock acquisition rights shall be the first day (hereinafter referred to as the "Commencement Date of the Exercise Period") of the exercise period, which shall be a period of between one (1) month and three (3) months as specified separately in the resolution for the gratis allotment of stock acquisition rights. However, based on item (i) 2) below, if the Company acquires the Stock Acquisition Rights, the exercise period for the Stock Acquisition Rights subject to such acquisition shall be the business day before the date of acquisition. In addition, if the last day of the exercise period falls on a business holiday of the place where payment is to be made upon exercise, the previous business day preceding that day shall be deemed to be the last day.

(g) Conditions for exercising Stock Acquisition Rights

(I) Specified large volume holders [14], (II) joint holders of specified large volume holders,

---

[13] In the future, even if the Company becomes a company issuing different classes of shares (as defined in Article 2, Item 13 of the Companies Act), 1) the shares of the Company to be issued upon exercise of the stock acquisition rights and 2) the shares to be delivered in exchange for the acquisition of the stock acquisition rights shall both refer to shares of the same class as the shares (common shares) actually issued by the Company at the time of the holding of the Ordinary General Meeting of Shareholders.

[14] In principle, this refers to holders of stock certificates, etc., issued by the Company who hold

(III) specified large volume purchasers [15], (IV) special related parties of specified large volume purchasers, or (V) persons who have acquired or succeeded to the new share subscription rights from any of the above (I) to (IV) without the approval of the Company's Board of Directors, or (VI) related parties of persons falling under any of the categories (I) through (V) above [16] (hereinafter, persons falling under (I) to (VI) shall be referred to as "Ineligible Persons") shall not, in principle, be entitled to exercise these Stock Acquisition Rights. In addition, non-residents who are required to follow specific procedures under the applicable laws and regulations of a foreign country to exercise these Stock Acquisition Rights shall, in principle, not be able to exercise these Stock Acquisition Rights (however, certain non-residents who are eligible for exemptions under the applicable laws and regulations of the relevant foreign country may exercise these Stock Acquisition Rights, and the Stock Acquisition Rights held by non-residents shall be subject to acquisition by the Company in exchange for shares of the Company as described in (i) below).

(h) Restrictions on transfer of Stock Acquisition Rights

Any acquisition through the transfer of Stock Acquisition Rights requires the approval of the Board of Directors.

(i) Acquisition of Stock Acquisition Rights by the Company

1) The Company may, at any time before the Commencement Date of the Exercise Period, acquire all of the Stock Acquisition Rights without consideration on a date separately

---

20% or more of the stock certificates, etc. related to such stock certificates, etc. (including those deemed by the Board of Directors to fall under this category). However, persons who acquire or hold shares of the Company and who are recognized by the Board of Directors as not being contrary to the corporate value or the common interests of shareholders, or other persons specified by the Board of Directors in the resolution for the gratis allotment of stock acquisition rights, shall not be deemed to be specified large volume holders. The same shall apply hereinafter in this document.

[15] In principle, this refers to an individual or entity that has made a public announcement stating that it will acquire shares (as defined in Article 27-2, Paragraph 1 of the same Act; the same shall apply hereinafter in this footnote) or other securities issued by the Company through a tender offer (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter in this footnote), and whose ownership ratio of shares or other securities after such Acquisition, etc., (including cases specified in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act) when combined with the ownership ratio of shares or other securities held by its special related parties, reaches 20% or more (including those deemed applicable by the Board of Directors). However, persons who acquire or hold shares of the Company and who are recognized by the Board of Directors as not being contrary to the corporate value or the common interests of shareholders, or other persons specified by the Board of Directors in the resolution for the gratis allotment of stock acquisition rights, shall not be deemed to be specified large volume purchasers. The same shall apply hereinafter in this document.

[16] "Related parties" refer to persons who substantially control, are controlled by, or are under joint control with a person (including persons deemed by the Board of Directors to fall under this category), or persons deemed by the Board of Directors to act in concert with such persons. The term "control" refers to "controlling the financial and business policies of another company" (as defined in Article 3, Paragraph 3 of the Ordinance for Enforcement of the Companies Act).

determined by the Board of Directors if it is deemed appropriate by the Board of Directors.

2) The Company may, on a date separately determined by the Board of Directors, acquire all of the Stock Acquisition Rights held by persons other than Ineligible Persons that have not been exercised by the business day preceding the date determined by the Board of Directors, and in exchange, deliver the number of shares of the Company corresponding to the number of Stock Acquisition Rights held by such persons.

In addition, if, after the date on which such acquisition is made, the Board of Directors determines that there are holders of Stock Acquisition Rights other than Ineligible Persons, the Company shall, on a date separately determined by the Board of Directors after the date on which the acquisition was made, acquire all Stock Acquisition Rights held by such persons that have not been exercised by the business day preceding the date determined by the Board of Directors, and in exchange thereof, the Company may deliver the number of shares of the Company corresponding to the number of shares subject to the Stock Acquisition Rights, and the same shall apply thereafter.

3) The Company shall acquire all of the Stock Acquisition Rights held by Ineligible Persons on the date specified by the Board of Directors as the effective date of the gratis allotment of the Stock Acquisition Rights, and in exchange thereof, the Company may deliver as [17] consideration a number of stock acquisition rights equal to the number of Stock Acquisition Rights pertaining to the acquisition, which are subject to the restriction that the exercise of such Stock Acquisition Rights by Ineligible Persons is not permitted in principle. Details of the stock acquisition rights shall be determined in the resolution for the gratis allotment of Stock Acquisition Rights.

(6) Contents of the proposal to be submitted to the general shareholders' meeting by the Board of Directors for the implementation of the Gratis Allotment of Stock Acquisition Rights, etc.

The content of the proposal to be submitted to the shareholders' meeting by the Board of

[17] However, in certain cases, conditions may be attached to allow the exercise of such stock acquisition rights by Ineligible Persons. Specifically, the Purchaser, etc. may have to cancel or withdraw the Acquisition, etc. that has already been commenced (if the Acquisition, etc. is made by way of a tender offer, a public notice of the withdrawal of the tender offer (the main clause of Article 27-11, Paragraph 2 of the Financial Instruments and Exchange Act) must be given), and submit a written document pledging to 1) refrain from conducting the Acquisition, etc. for a certain period, 2) reduce the shareholding ratio to a specified threshold within a prescribed period, and 3) refrain from exercising the right to request the convening of an extraordinary general meeting of shareholders for a certain period. If such a pledge is complied with, it may be stipulated that the Purchaser, etc., and other Ineligible Persons may only exercise the stock acquisition rights they hold up to a certain extent.

Directors for the implementation of the Gratis Allotment of Stock Acquisition Rights, etc., shall, in the case of the Gratis Allotment of Stock Acquisition Rights, be the same as the content specified in 3.(5) "Overview of the Gratis Allotment of Stock Acquisition Rights, etc." above, and in the case of other measures, shall be content that clearly indicates the outline of such measures in accordance with the above.

(7) Procedures for renewing this Plan

The renewal of this Plan shall be subject to the resolution of the Ordinary General Meeting of Shareholders to delegate to the Board of Directors the authority to determine matters concerning the gratis allotment of Stock Acquisition Rights in accordance with the provisions of Article 12 of the Articles of Incorporation and the conditions set forth in this Plan.

(8) Effective Period, abolishment, and changes to this Plan

The effective period of this Plan (including the delegation of authority to decide on matters concerning the implementation of the gratis allotment of Stock Acquisition Rights under this Plan; hereinafter referred to as the "Effective Period.") shall be until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within three (3) years after the conclusion of this Ordinary General Meeting of Shareholders, but if the "Partial Amendment to the Articles of Incorporation" separately disclosed today is approved and adopted at this Ordinary General Meeting of Shareholders and the Company's fiscal year-end is changed from March 31 to August 31, the period shall be until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year that is the third fiscal year after the conclusion of this Ordinary General Meeting of Shareholders (scheduled for late November 2028), taking into consideration the fiscal year following the change in the fiscal year-end.

However, even before the expiration of the Effective Period, if 1) a resolution is passed at a general shareholders' meeting of the Company to revoke the above delegation of authority to the Board of Directors regarding the determination of matters related to the gratis allotment of Stock Acquisition Rights under this Plan, or 2) a resolution is passed by the Board of Directors to abolish this Plan, this Plan shall be abolished at that time.

In addition, even during the Effective Period of this Plan, the Board of Directors may, with the approval of the Independent Committee, revise or amend this Plan if such revision or amendment does not conflict with the intent of the resolution of the Ordinary General Meeting of Shareholders (including cases where new laws and regulations, financial instruments exchange rules, etc. related to this Plan are enacted or revised, and it is appropriate to reflect such enactment or revision, cases where it is relevant to modify the

wording due to typographical errors, etc., and cases where it does not cause any disadvantage to our shareholders) referred to in (7) “Procedures for renewing this Plan” above.

In the event that this Plan is abolished or changed, the Company will promptly disclose the fact of such abolition or change and (in the case of a change) the details of the change and other relevant matters.

4. Reasonableness of this Plan

(1) Full compliance with the requirements of the guidelines on takeover defense measures

This Plan fully complies with the three (3) principles (the Principle of Corporate Value and Shareholders’ Common Interests, the Principle of Shareholders’ Intent, and the Principle of Transparency) set forth in the “Guidelines for Corporate Takeovers - Enhancing Corporate Value and Securing Shareholders’ Interests” announced by the Ministry of Economy, Trade and Industry on August 31, 2023. In addition, this Plan has been formulated in consideration of the “Takeover Defense Measures in Light of Recent Changes in the Business Environment” announced by the Corporate Value Study Group on June 30, 2008.

(2) Emphasis on shareholder intent (shareholders’ meeting resolutions and sunset clauses)

The Company plans to renew the Plan subject to the approval of the Plan at the Ordinary General Meeting of Shareholders. Specifically, as described in 3. (7) “Procedures for renewing this Plan” above, the Plan will be renewed by passing a proxy resolution at the Company’s shareholders’ meeting in accordance with the provisions of the Articles of Incorporation. In addition, this Plan stipulates that, in principle, a shareholders’ meeting shall be held to confirm the shareholders’ intention regarding the implementation of the Gratis Allotment of Stock Acquisition Rights, etc., if the Independent Committee recommends that the Gratis Allotment of Stock Acquisition Rights, etc., be implemented.

In addition, as described in 3. (8) “Effective Period, abolishment, and changes to this Plan” above, even before the expiration of the Effective Period of the Plan, if a resolution to revoke the above-mentioned proxy resolution is passed at the Company’s general shareholders’ meeting, or if a resolution to abolish the Plan is passed at the Board of Directors composed of directors appointed at the general shareholders’ meeting, the Plan will be abolished at that time. In that sense, the renewal and abolition of the Plan will be based on the will of the Company’s shareholders.

(3) Emphasis on independent judgment by external parties and disclosure of information

In connection with the introduction of this Plan, the Company will establish an Independent

Committee as an objective body to make substantive decisions regarding the implementation and abolition of the Gratis Allotment of Stock Acquisition Rights, etc. under this Plan, thereby eliminating arbitrary decisions by the Board of Directors and acting in the best interests of shareholders.

If an Acquisition, etc. is actually made to the Company, as described in 3. (3) “Procedures for the implementation of the gratis allotment of Stock Acquisition Rights, etc. based on this Plan” above, the Independent Committee will make a substantive judgment on whether the Acquisition, etc. will damage the Company's corporate value and the common interests of shareholders, in accordance with the Independent Committee Rules, and the Board of Directors will respect that judgment to the greatest extent possible and, in principle, consult with the General Meeting of Shareholders to confirm the will of the shareholders and then make a resolution, etc. under the Companies Act in accordance with that judgment.

In this way, the Independent Committee and the general shareholders’ meetings strictly monitor the arbitrary actions of the Company’s directors and disclose the summary of their decisions to shareholders, ensuring that this Plan is operated transparently to the extent that it contributes to the corporate value and common interests of shareholders.

In addition, the Independent Committee shall consist of three (3) or more members who are (i) outside directors of the Company, (ii) outside auditors of the Company, or (iii) outside experts who are independent from the management of the Company (for details regarding the criteria for appointing members of the Independent Committee, resolution requirements, and matters to be resolved, please refer to Appendix 1; The members of the initial Independent Committee are listed in Appendix 2).

(4) Establishment of reasonable objective requirements

This Plan is designed to prevent arbitrary activation by the Board of Directors, as it is set up so that it will not be activated unless reasonable and detailed objective requirements are met, as described in 3. (3)(e) “Procedures for recommendations by the Independent Committee” and 3. (4) “Requirements for the Gratis Allotment of Stock Acquisition Rights, etc.” above.

(5) Obtaining opinions from third-party experts

If a Purchaser, etc., emerges, the Independent Committee may, at the Company’s expense, seek advice from independent third parties (including financial advisors, certified public accountants, attorneys, consultants, and other experts). This system ensures that the decisions made by the Independent Committee are fair and objective.

(6) Not a dead-hand or slow-hand takeover defense measure

As stated in 3. (8) “Effective Period, abolishment, and changes to this Plan” above, this Plan is designed to be abolished by directors appointed at a shareholders’ meeting designated by a person who has purchased a large number of the Company’s shares, etc., and is not a dead hand type takeover defense measure (a takeover defense measure that cannot be prevented even if a majority of the members of the Board of Directors are replaced). Furthermore, since the term of office of the Company’s directors is one (1) year, this Plan does not constitute a slow-hand takeover defense measure (a takeover defense measure that requires time to prevent its implementation, as the members of the Board of Directors cannot be replaced all at once).

5. Impact on shareholders and other parties

(1) Impact on shareholders and investors at the time of introduction of this Plan

At the time of introducing this Plan, no Gratis Allotment of Stock Acquisition Rights will be made, and therefore, there will be no direct impact on shareholders and investors.

(2) Impact on shareholders and investors upon the gratis allotment of Stock Acquisition Rights

If the Board of Directors or the general shareholders’ meeting of the Company resolves to grant stock acquisition rights without consideration, such Stock Acquisition Rights shall be granted without consideration to shareholders as of the allotment date specified in the resolution for the grant of Stock Acquisition Rights, at a ratio of one (1) stock acquisition right for each share of common stock held by such shareholders. If, during the exercise period, shareholders fail to complete the procedures related to the exercise of the Stock Acquisition Rights as detailed in (3) “Procedures required of shareholders in connection with the gratis allotment of Stock Acquisition Rights” (a) below, their shares in the Company will be diluted as a result of the exercise of Stock Acquisition Rights by other shareholders. However, the Company may acquire Stock Acquisition Rights from shareholders other than Ineligible Persons through the procedures described in (3) “Procedures required of shareholders in connection with the gratis allotment of Stock Acquisition Rights” (b) below, and deliver shares of the Company in exchange therefor. If the Company takes the acquisition procedures, shareholders other than Ineligible Persons will receive the Company’s shares without exercising the Stock Acquisition Rights or paying an amount equivalent to the exercise price. Although the value of the Company’s shares held will be diluted on a per-share basis, in principle, there will be no economic dilution of the value of the Company’s shares held as a whole.

Furthermore, even after the Allotment Date or the effective date of the gratis allotment of Stock Acquisition Rights, the Company may, for reasons such as the withdrawal of the

Acquisition, etc. by the Purchaser, etc., cancel the gratis allotment of Stock Acquisition Rights or acquire the Stock Acquisition Rights without delivering the Company's shares to the holders of Stock Acquisition Rights, without consideration, by the day before the Commencement Date of the Exercise Period of the Stock Acquisition Rights. In these cases, there will be no dilution of the value of each share. Therefore, investors who have sold shares on the assumption that there would be dilution of the value of each share may suffer unexpected losses due to fluctuations in the share price.

(3) Procedures required of shareholders in connection with the gratis allotment of Stock Acquisition Rights

(a) Procedures for exercising Stock Acquisition Rights

The Company will, in principle, send the exercise request form for the Stock Acquisition Rights (the content and number of the Stock Acquisition Rights to be exercised, the date of exercise of the Stock Acquisition Rights, and other necessary matters, as well as representations and warranties that the shareholder is not an Ineligible Person, indemnification provisions, and other covenants, shall be in the form specified by the Company) and other documents necessary for exercising the rights to the shareholders whose names are recorded in the Company's final shareholder register as of the Allotment Date.

Following the gratis allotment of the Stock Acquisition Rights, shareholders may, within the exercise period and before the effective date of the Company's acquisition of the Stock Acquisition Rights, submit the necessary documents and pay the amount determined by the Board of Directors in the resolution on the gratis allotment of Stock Acquisition Rights, which shall be no less than 1 yen per share and no more than half of the market price of the Company's shares, to the designated payment location, thereby one share of the Company's stock will be issued for each stock acquisition right.

(b) Procedures for acquisition of stock acquisition rights by the Company

If the Board of Directors decides to acquire the Stock Acquisition Rights, the Company will acquire the Stock Acquisition Rights in accordance with the procedures prescribed by law on the date specified by the Board of Directors. In addition, when delivering shares of the Company to shareholders in exchange for the acquisition of these Stock Acquisition Rights, the Company will provide the shares promptly. In addition, in this case, the shareholders concerned may be required to separately submit a document in the format specified by the Company containing representations and warranties, indemnification provisions, and other covenants regarding, among other things, that they are not Ineligible Persons.

In addition to the above, details regarding the allotment method, exercise method, and acquisition method by the Company for these Stock Acquisition Rights, as well as other measures, will be disclosed or notified to shareholders after the resolution of the Board of Directors regarding the gratis allotment of these Stock Acquisition Rights, so please confirm the details at that time.

Summary of the Independent Committee Rules

- The Independent Committee shall be established by resolution of the Board of Directors.
- The members of the Independent Committee shall consist of three (3) or more persons who are independent of the management team responsible for the execution of our business operations and shall be appointed by the Board of Directors from among (i) the Company's outside directors (including those scheduled to be appointed), (ii) the Company's outside auditors (including those scheduled to be appointed), or (iii) persons with expertise outside the Company. However, persons with expertise outside the Company must be experienced company executives, individuals with expertise in investing banking or the Company's business, lawyers, certified public accountants, researchers whose primary field of study is the Companies Act, or persons equivalent to the above, and must also have entered into a contract with the Company that includes a fiduciary duty clause as specified by the Board of Directors.
- The term of office of the members of the Independent Committee shall expire after the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within three (3) years after the conclusion of this Ordinary General Meeting of Shareholders. However, this shall not apply if otherwise determined by resolution of the Board of Directors. In addition, if a member of the Independent Committee who is an outside director or outside auditor of the Company ceases to be a director or auditor (except in the case of reappointment), their term as a member of the Independent Committee shall also be terminated at the same time.
- In the event of a vacancy among the members of the Independent Committee, a new member shall be appointed promptly by resolution of the Board of Directors from among persons who meet the above appointment requirements. The term of office of newly appointed committee members shall be the same as the remaining term of office of the original committee members who have vacated their positions.
- The Independent Committee shall make decisions on the matters listed in each of the following items and recommend the contents of such decisions, together with the reasons therefor, to the Board of Directors. The Board of Directors shall, with the utmost respect for the recommendations of the Independent Committee, make a resolution as a corporate body under the Companies Act regarding the implementation or non-implementation of reasonable measures (hereinafter, these measures shall be collectively referred to as the "Gratis Allotment of Stock Acquisition Rights, etc.") that may be taken under laws and regulations and the Articles of Incorporation of the Company, including the gratis allotment of Stock Acquisition Rights (however, if a separate resolution is adopted at a

shareholders' meeting held to confirm the shareholders' intention regarding the implementation of the Gratis Allotment of Stock Acquisition Rights, etc. specified in 1), such resolution shall prevail). In addition, each member of the Independent Committee and each director of the Company shall make such decisions from the perspective of whether or not they contribute to the corporate value and the common interests of the shareholders of the Company, and shall not make such decisions for the sole purpose of promoting their own personal interests or those of the management of the Company:

1) Implementation or non-implementation of the Gratis Allotment of Stock Acquisition Rights, etc.
2) Cancellation of Gratis Allotment of Stock Acquisition Rights, etc. or gratis acquisition of Stock Acquisition Rights
3) Other matters that should be determined by the Board of Directors, which the Board of Directors has referred to the Independent Committee for consultation

・ In addition to the provisions set forth above, the Independent Committee may perform the matters listed in the following items:

1) Determination of eligibility for Acquisitions, etc., covered by this Plan
2) Decision to extend the Independent Committee Review Period
3) Information to be provided by the Purchaser, etc., and the Board of Directors to the Independent Committee, and the determination of the deadline for responses
4) Examination and review of the details of Acquisitions, etc., by the Purchaser, etc.
5) Negotiations and consultations with Purchasers, etc.
6) Request for submission of alternative proposals to the Board of Directors and consideration of alternative proposals
7) Approval of revisions or changes to this Plan
8) Other matters specified in this Plan that the Independent Committee may handle
9) Matters that the Board of Directors determined that the Independent Committee can handle separately

・ The Independent Committee shall request the Purchaser, etc., to submit additional necessary information if it determines that the Purchase Explanation Document and the information submitted are insufficient as necessary information. In addition, the Independent Committee may request the Board of Directors to provide, within a specified period, its opinion on the details of the Acquisition, etc., by the Purchaser, etc., and the supporting documents, alternative proposals (if any), and other information deemed necessary by the Independent Committee.

・ The Independent Committee shall, from the perspective of ensuring and enhancing the corporate value and the common interests of shareholders of the Company, directly or through the Board of Directors, consult and negotiate with the Purchaser, etc. to improve

the details of the Acquisition, etc., by the Purchaser, etc., if necessary, and shall present alternative proposals of the Board of Directors, etc. to the shareholders, etc.

- The Independent Committee may request the attendance of the Company's directors, auditors, employees, and other persons deemed necessary by the Independent Committee to gather necessary information, and may request explanations regarding matters requested by the Independent Committee.
- The Independent Committee may, at the expense of the Company, obtain advice from independent third parties (including financial advisors, certified public accountants, attorneys, consultants, and other experts).
- Each member of the Independent Committee may convene the Independent Committee at any time, including when an Acquisition, etc. has been made.
- Resolutions of the Independent Committee shall, in principle, be adopted by a majority vote of two-thirds or more of the members of the Independent Committee who are present.

Appendix 2

Brief History of Independent Committee Members

The following four (4) individuals are scheduled to serve as members of the Independent Committee at the time of the initial renewal of this Plan.

Kaoru Yokomise

[Brief history]

Born November 19, 1957

April 1981: Joined Kao Corporation

October 2013: General Manager of Sustainability Promotion Department, Corporate Communications Division

December 2014: General Manager of Indirect Material Department, Procurement Division

April 2018: Joined the Consumer Affairs Agency

October 2019: Assistant Director for Policy Planning to Director of the Cabinet Office

June 2021: Outside Director (Audit and Supervisory Committee Member) of Matsuda Sangyo Co., Ltd.

June 2022: Elected as Outside Director of San Holdings (current)

Kaoru Yokomise is an outside director as defined in Article 2, Item 15 of the Companies Act. Kaoru Yokomise is a candidate for outside director who meets the requirements for outside director candidates specified in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act, and if elected at this Ordinary General Meeting of Shareholders, she will assume the position of outside director of the Company. In addition, she has been designated as an independent officer by the Tokyo Stock Exchange, and if she is elected as an outside director at this Ordinary General Meeting of Shareholders, she will continue to be designated as an independent officer. There are no special interests between her and the Company.

Chihiro Negishi

[Brief history]

Born November 2, 1968

January 2008	Joined Pasona Fortune Inc. (now Pasona JOB HUB Inc.), General Manager of Management Administration Department and Executive Search Department
October 2009	Joined Kosaido Co., Ltd. (now Kosaido Holdings Co., Ltd.), Senior Staff of Information Initiative
April 2015	Executive Officer and Head of HC Division, Human Resources Business Headquarters
June 2017	Director responsible for the HRS Division and also in charge of the Solution Headquarters, overseeing HR-related companies
June 2018	Managing Director, overseeing HR-related businesses and HR-related subsidiary

	companies, Leader of the Printing Business Transformation Project
June 2019	President and Representative Director
July 2021	Executive Officer and Managing Director
April 2022	Chairman and President, Tokyo Hakuzen Co., Ltd.
April 2022	President and Representative Director of Kosaido Next Co., Ltd.
June 2022	Executive Officer and Chief Operating Officer (COO), Kosaido Holdings Co., Ltd.
April 2023	Chairman of the Board, Kosaido Next Co., Ltd.
June 2024	Executive Vice President and Senior Executive Officer, Kosaido Holdings Co., Ltd.

Chihiro Negishi is a candidate for outside director who meets the requirements for outside director candidates specified in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act, and if elected at this Ordinary General Meeting of Shareholders, he will assume the position of outside director of the Company. In addition, if he is appointed as an outside director at the next Ordinary General Meeting of Shareholders, he will be designated as an independent officer. There are no special interests between him and the Company.

Kazumasa Honma

[Brief history]

Born July 21, 1957

April 1982: Joined Taiyo-Kobe Bank Limited (now Sumitomo Mitsui Banking Corporation)

October 1995: Assistant, International Planning Department

October 1997: Seconded to Japan Investors Service, Inc. (now Rating and Investment Information, Inc. (R&I)), Principal analyst

May 2001: Acting General Manager, Markets Research and Development Department, Sumitomo Mitsui Banking Corporation

January 2003: Resigned from Sumitomo Mitsui Banking Corporation

January 2012: Registered as an attorney

June 2012: Director, Niigata Koekisha Co., Ltd. (current)

December 2014: Representative Partner, Honma Law Office (current)

June 2019: Elected as Audit & Supervisory Board Member of San Holdings (current)

(Significant concurrent positions)

Director, Niigata Koekisha Co., Ltd.

(Niigata Koekisha Co., Ltd. is a funeral service company headquartered in Niigata City, Niigata Prefecture, but it has no capital or personnel ties to the Group.)

Kazumasa Honma is an outside auditor (Audit & Supervisory Board Member) as defined in Article 2, Item 16 of the Companies Act. In addition, he has been designated as an independent officer by the Tokyo Stock Exchange. There are no special interests between him and the Company.

Yuto Mikami
[Brief history]
Born December 16, 1954
September 1981: Joined Kyowa Hakko Bio Co., Ltd.
December 1983: Joined American Life Insurance Company
January 1989: Joined Sony Pruco Life Insurance Co, Ltd. (now Sony Life Insurance Co., Ltd.)
April 1998: General Manager, Administrative & Planning Department
April 2007: General Manager of Medical Department
April 2010: Joined Memolead Life Co., Ltd., Executive Officer, General Manager of Customer Services
June 2011: Director, Executive Officer, General Manager of Customer Services and Systems
September 2014: Registered as an administrative scrivener
June 2017: President of Yuto Mikami Administrative Scrivener's Office (current)
June 2019: Elected as Audit & Supervisory Board Member of San Holdings (current)

Yuto Mikami is an outside auditor (Audit & Supervisory Board Member) as defined in Article 2, Item 16 of the Companies Act. In addition, he has been designated as an independent officer by the Tokyo Stock Exchange. There are no special interests between him and the Company.

Appendix 3

Status of major shareholders of the Company

As of March 31, 2025, the major shareholders of the Company are as follows.

Shareholders	Number of shares owned	Percentage of shares owned relative to the total number of shares issued (excluding treasury stock)
	Shares	%
The Master Trust Bank of Japan, Ltd.(Trust account)	2,205,100	10.64
Custody Bank of Japan, Ltd.(Trust account)	1,272,100	6.14
Ginsen Co., Ltd.	1,118,800	5.40
Koekisha (Kyoto) Co., Ltd.	912,800	4.40
Yoko Kugo	793,612	3.83
Yoshitaka Kugo	639,200	3.08
Takashi Kugo	609,188	2.94
Mitsuharu Konishi	471,204	2.27
Sumitomo Life Insurance Company	465,500	2.25
SMBC Trust Bank Ltd.	404,000	1.95

(Note) 1. In addition to the above, the Company holds 2,276,220 shares of treasury stock.

2. Koekisha Co., Ltd. (Kyoto) is a funeral company with the same name as our subsidiary and headquartered in Kyoto City, but it has no capital or personnel ties with the Group.