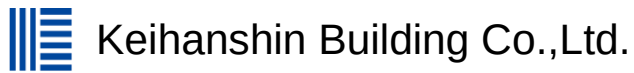


Supplementary Explanation of the Company's Board of Directors' Opinion on the Shareholder Proposal



May 13, 2026

Stock Code: 8818

Shareholder proposal: Acquisition of treasury shares from specific shareholders

The Proposing Shareholder argues that this Agenda is intended to eliminate shareholdings in the Company held by companies that hold the Company's shares and to improve the Company's corporate governance.



the Company's board of directors opposes this Agenda.

✓ Inconsistent with the intent of the law

The method of compelling the issuance of notices regarding the acquisition of treasury shares in order to exclude certain shareholders is inconsistent with the intent of Article 160 of the Companies Act.

✓ There is no “pressure not to sell”.

It is not true that the Company is applying “pressure not to sell,” and it is appropriate for each shareholder to decide whether to sell the Company's shares.

✓ This would hinder the Company's corporate value

If the Company were to conduct a share repurchase in the total amount of 48.6 billion yen, it would become difficult to make growth investments for transforming the earnings structure or to implement shareholder returns based on the Company's policy.

■ Acquisition of treasury shares from specific shareholders

▶ Proposal

- Type of shares to be acquired : Common shares, 23,941,125 shares
- Cash, etc. to be delivered : An amount obtained by multiplying the number of shares to be acquired by the closing price on the trading day immediately preceding the date of this General Meeting of Shareholders
- Period during which the shares may be acquired : From the day of closing of this General Meeting of Shareholders to May 31, 2027
- Counterparties from whom the shares are to be acquired : 33 shareholders

■ For reference: Breakdown of Target Shareholders

Category	Number of shareholders	Number of Shares	Voting Rights Held (%)
Listed	20	8,817,629	18.5
Unlisted (with a listed parent company)	8	6,943,426	14.6
Unlisted (without a listed parent company)	5	8,102,170	17.0
Total	33	23,863,225*	50.0

* The number does not match the shares to be acquired under this Agenda (23,941,125 shares).

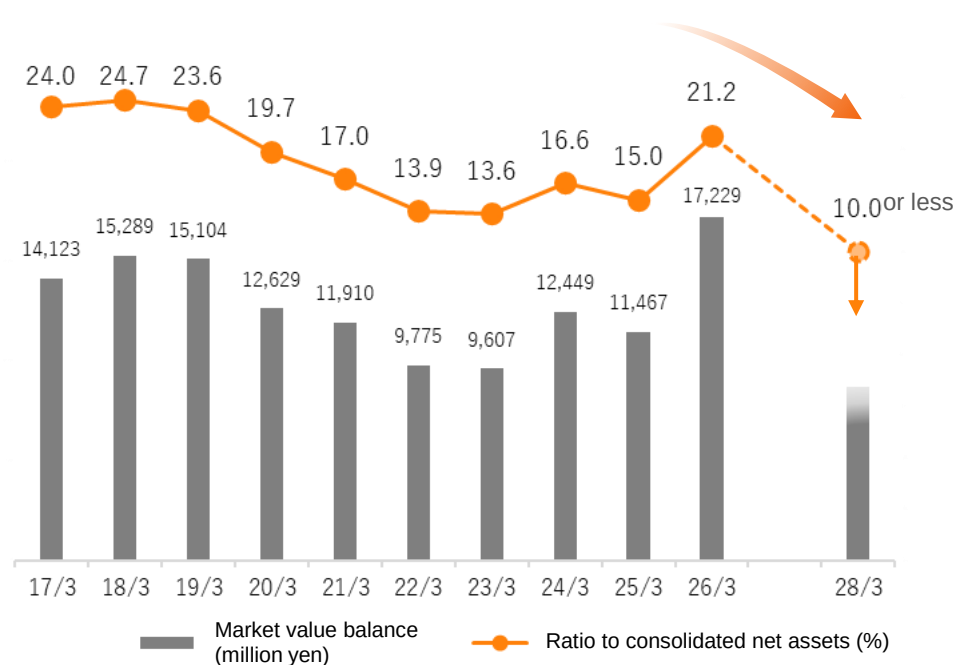
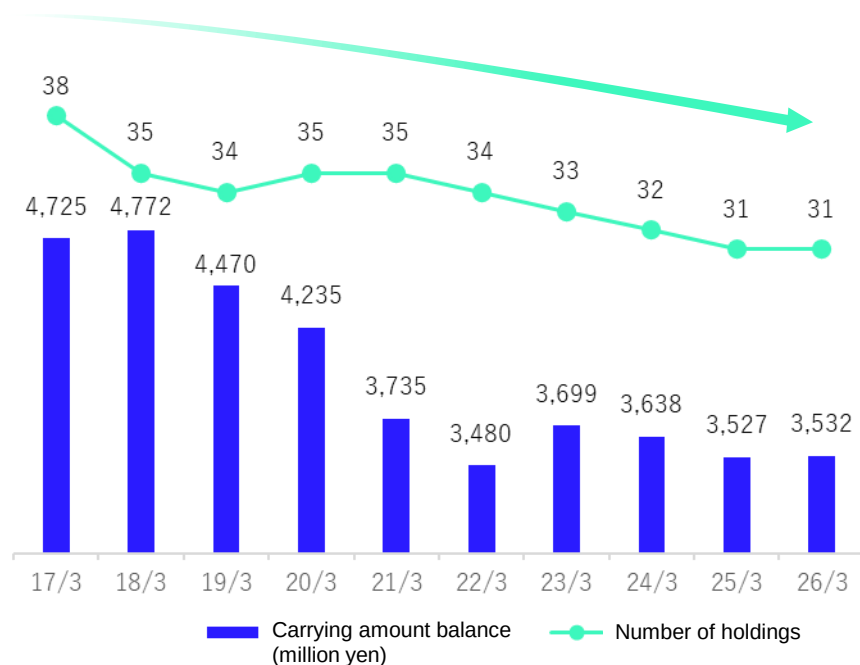
This Agenda is inconsistent with the intent of Article 160 of the Companies Act

- Article 160 of the Companies Act stipulates that if an issuing company intends to acquire treasury shares from specific shareholders and notifies only those shareholders of the acquisition, the issuing company must obtain approval of the general meeting of shareholders by a special resolution
- A method whereby the Proposing Shareholder compels the Company to issue notices of acquisition of treasury shares in order to exclude certain shareholders from the issuing company's shareholders is inconsistent with the intent of Article 160 of the Companies Act

- ☑ It is not true that the Company is applying “pressure” on its shareholders “not to sell” their shares, and the handling of the Company’s shares by each shareholder is a matter for such shareholder to determine
- The Proposing Shareholder asserts that the Company is applying “pressure” on each Target Shareholder “not to sell” the Company’s shares
- In accordance with Supplementary Principle 1-4 (1) of the Corporate Governance Code, if Policy-holding Shareholders indicate an intention to sell or otherwise dispose of shares, the Company respects the wishes of such shareholders and does not engage in any actions that would hinder such sales or dispositions
- If this Agenda is approved, each Target Shareholder will be compelled, within a short period of time, to consider whether or not to proceed with a sale in response to the notice pursuant to this Agenda
- Matters such as whether each Target Shareholder needs to sell the Company’s shares, and, if selling, the method, timing, and number of shares to be sold, should be determined by the Target Shareholders themselves

For reference: Policy-held shares held by the Company

- The Company's policy is not to hold shares that are not deemed to contribute to the Company's sustainable growth and the enhancement of its corporate value over the medium to long term
- The Company has set a target of reducing the ratio of policy-held shares to consolidated net assets to 10% or less by the fiscal year ending March 2028
- The Company will continue to sell policy-held shares in order to achieve this target
(The ratio to consolidated net assets has increased due to the recent rise in share price)



Reason for opposition (3)

☑ If the acquisition of treasury shares pursuant to this Agenda were to be carried out, it would hinder the enhancement of corporate value through the realization of the Company's Long-Term Business Plan and the increase in shareholder value through shareholder returns

- This Agenda proposes the acquisition of treasury shares up to a maximum of 48.6 billion yen* in total

*Calculated based on the closing price of the Company's shares on the Prime Market of the Tokyo Stock Exchange on May 12, 2026.

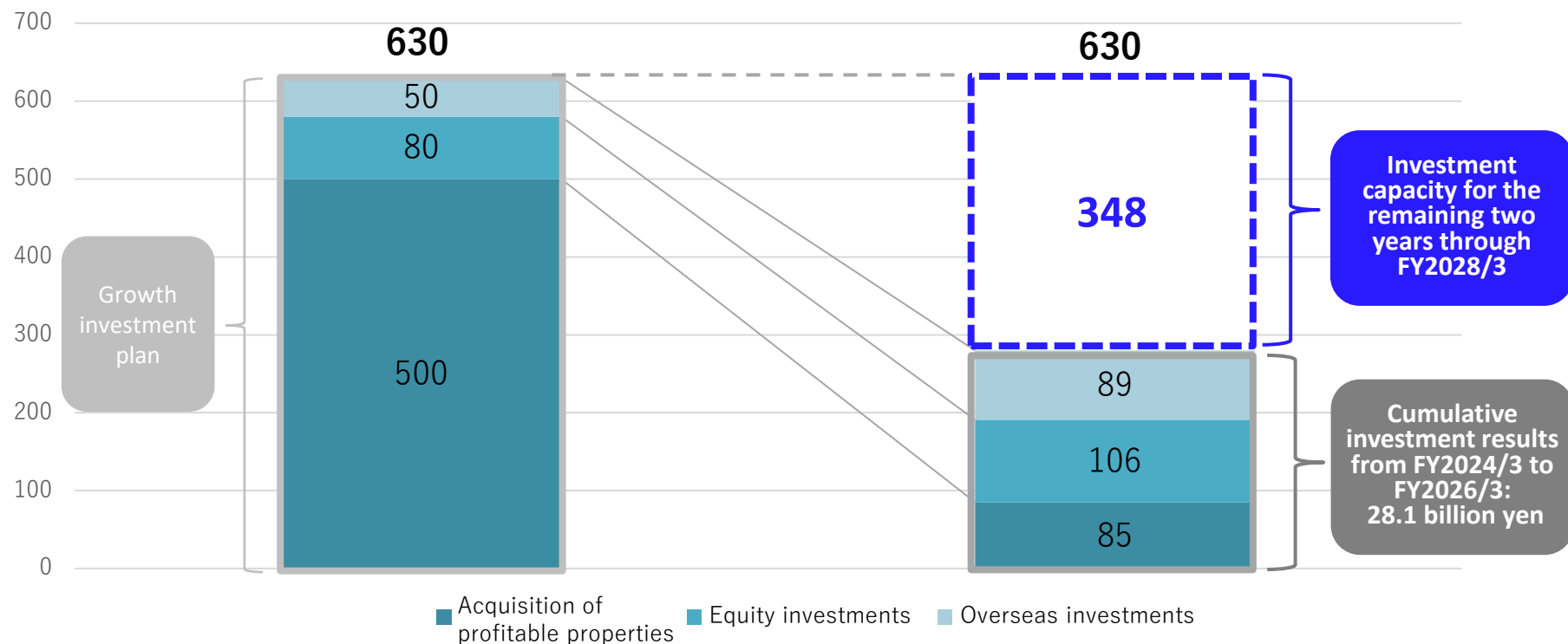
- If treasury shares equivalent to approximately 139% of the remaining two-year growth investment budget through the fiscal year ending March 2028 allocated under Phase I of the Company's Long-Term Business Plan were to be acquired, it would become difficult to implement various measures aimed at expanding the portfolio and creating new revenue models
- If all or a significant portion of the treasury share acquisitions under this Agenda were to be carried out, it could have a significant adverse impact on the Company's financial foundation
- If this Agenda is approved, it may become difficult to implement the three-year progressive dividend increases announced in "Notice Concerning Stock Split, Partial Amendment to the Articles of Incorporation in Connection with the Stock Split, Change to the Dividend Policy and Dividend Forecast, and Establishment of a Shareholder Benefit Program" dated May 13, 2026

For reference: Business strategy under the Long-Term Business Plan

- With the aim of transitioning to a balanced revenue structure between stock businesses and flow businesses, the Company plans approximately 63 billion yen in growth investments over the five years of Phase I of Long-Term Business Plan. (Remaining investment capacity of 34.8 billion yen for the two years through the fiscal year ending March 2028)

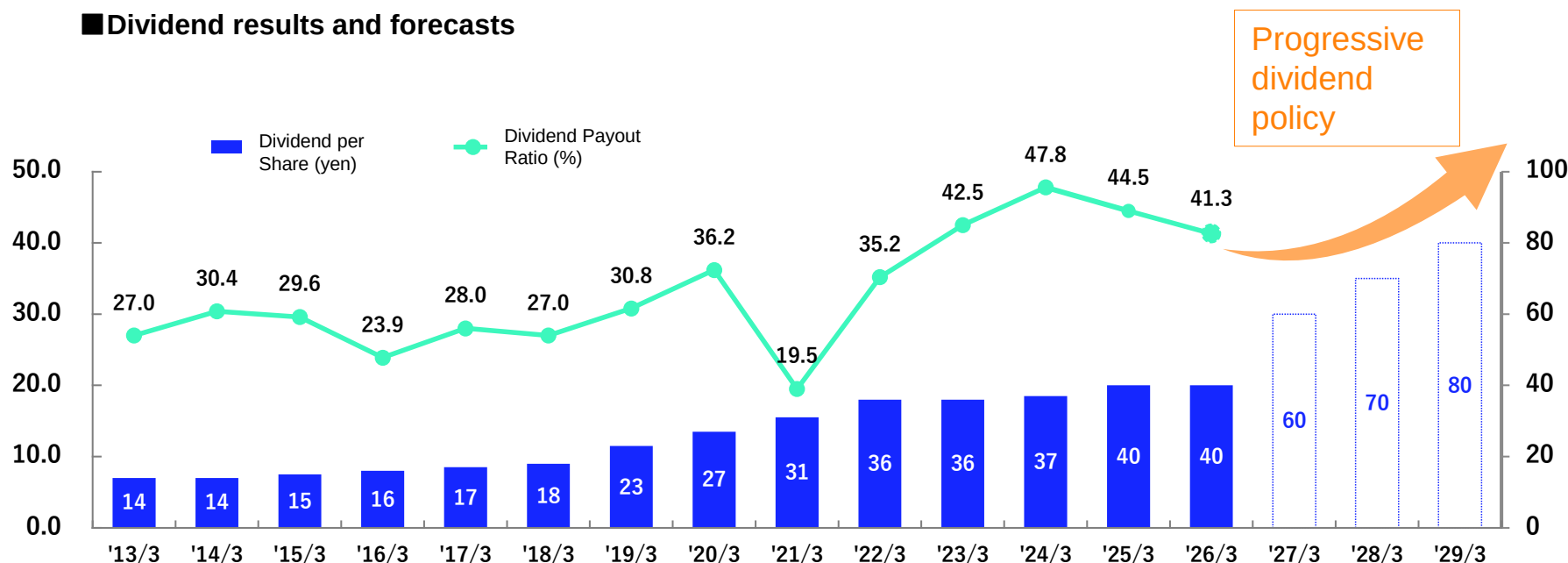
Planned growth investments (new businesses) in Phase I

Unit: 100 million yen



- Under the Long-Term Business Plan, the Company sets a dividend payout ratio target of approximately 45% and adopts a progressive dividend policy, including stable dividends and dividend increases through growth in earnings per share.
- As a result of the Company's efforts to launch and monetize new businesses, the Company now expects to meet the performance target for the final year of Phase I (the fiscal year ending March 2028). Therefore, the Company has adopted a progressive dividend policy with annual increases for the fiscal years ending March 2027 through March 2029.

Dividend results and forecasts



※ Figures for the fiscal year ending March 2027 and thereafter are shown on a pre-share split basis as of July 1, 2026.

- The initial proposal made by the Proposing Shareholder:
 - established the acquisition period for the treasury shares “from the date of closing of this General Meeting to March 31, 2028.”
 - This would violate Article 156, Paragraph 1 of the Companies Act, which limits the acquisition period of the treasury shares to a maximum of one year.
 - ※Following the Company’s indication, it was corrected to “from the date of closing of this General Meeting to May 31, 2027.”
 - set the counterparties from whom treasury shares were to be acquired at “35 shareholders.”*
 - This included third parties who have already sold their shares.
 - ※Following the Company’s indication, it was corrected to “33 shareholders” by excluding the two shareholders that have already sold their shares.
- The number of Target Shares under this Agenda has been set at “23,941,125 shares.”*
 - This exceeds the total number of the Company’s shares held by the Target Shareholders, which is 23,863,225 shares.
- * Before the deadline for submitting the shareholder proposal, the Company complied with the proposing shareholder’s request for inspection of the shareholder register as of the end of March 2026.

Reason for submitting this Shareholder Proposal	The Company's view
The existence of Policy-holding Shareholders may be undermining discipline over management.	▶ The management is striving to enhance corporate value by promoting the Company's Long-Term Business Plan. ▶ The Board of Directors, the majority of which comprises outside directors, oversees the execution of business operations.
The Policy-holding Shareholders are not selling the Company's shares.	▶ Although the Proposing Shareholder argued that only one company sold the Company's shares since the fiscal year ended March 2020, the Company has confirmed five such companies, indicating that the divestment of shares by the Policy-holding Shareholders is progressing.
There are indications that a "pressure not to sell" is applied on Policy-holding Shareholders.	▶ The Proposing Shareholder's argument is a general statement citing the FSA Review and the Company is not applying "pressure not to sell", and therefore such argument does not apply to the Company.
There are concerns that the Company is applying "pressure not to sell."	▶ It is not true that the Company is applying "pressure not to sell." ▶ The Proposing Shareholder's claim that there are concerns is unfounded.
This Agenda is a call for the Policy-holding Shareholders who are freed from the "pressure not to sell" or the "factors that deter the sale" to sell their shares.	▶ If approved, the Policy-holding Shareholders would be forced to consider, within a short period of time, whether to sell their shares in response to a notice made under this Agenda, which is inappropriate.
There is no conflict with funding regulations and financial soundness is maintained.	▶ If all or a substantial portion of the acquisition of treasury shares pursuant to this Agenda were to be carried out, it would have a significant adverse effect on the Company's financial foundation.
This Agenda contributes to the enhancement of shareholder value.	▶ Acquisition of treasury shares of up to 48.6 billion yen would correspond to 139% of the growth investment allocation under the Long-Term Business plan, making it difficult to implement various initiatives and hindering the enhancement of corporate value.

This document is prepared as a reference to explain the Company's Board of Directors' opinion on the shareholder proposal submitted by Strategic Capital, Inc. and others. For the Company's Board of Directors' opinion, please see the "Notice Regarding the Company's Board of Directors' Opinion on a Shareholder Proposal" announced on May 13, 2026.

The information contained in this document has been obtained from sources that the Company deems reliable, including publicly available information. However, the Company makes no warranty whatsoever as to its accuracy, completeness, appropriateness or comprehensiveness.

This document contains forward-looking statements, including forecasts and other statements regarding the Company. These forward-looking statements are based on current assumptions regarding future events and developments. Therefore, there is no guarantee that such forecasts based on these assumptions will ultimately prove to be correct. Actual results may differ from those described in this document due to various factors.

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