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(Stock Exchange Code 8237)

May 10, 2022

To Shareholders with Voting Rights:

Masaki Akita
Representative Director,
President and
Executive Operating Officer
Matsuya Co., Ltd.
3-6-1 Ginza, Chuo-ku, Tokyo

NOTICE OF THE 153RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

This is to notify you of the 153rd Annual General Meeting of Shareholders of Matsuya Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by following the instructions in the “Instructions for Exercising Voting Rights” on page 4 no later than 6 p.m. on Wednesday, May 25, 2022, Japan time.

1. Date and Time: Thursday, May 26, 2022 at 10 a.m., Japan time (Reception starts at 9 a.m.)

2. Place: The second floor hall of GINZA BLOSSOM Chuo Kaikan,
located at 2-15-6 Ginza, Chuo-ku, Tokyo

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 153rd Fiscal Year (March 1, 2021 – February 28, 2022) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 153rd Fiscal Year (March 1, 2021 – February 28, 2022)

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 3:** Election of 4 Directors Who Are Audit and Supervisory Committee Members
- Proposal 4:** Determination of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 5:** Determination of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members
- Proposal 6:** Determination of the Basic Policy for Introduction (Renewal) of the Countermeasures against Large-scale Acquisition of Company Shares (Takeover Defense Measures)

4. Exercise of voting right

- (1) If voting rights are exercised more than once via the Internet, the most recent vote will be deemed valid.
- (2) If voting rights are exercised both by the Internet and in writing, votes submitted via the Internet will be deemed valid, regardless of the time and date of arrival of the vote.

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - ◎ The following documents are provided on the Company's website (<http://www2.matsuya.com/ir/>) in accordance with relevant laws and regulations as well as the provision of Article 15 of the Articles of Incorporation of the Company, hence are not provided in this notice of convocation. Therefore, the documents attached to this notice of convocation are some of the documents subject to the audits by Corporate Auditors and Accounting Auditor in preparing an auditor's report.
 - 1) Statement of Changes in Equity in the Non-consolidated Financial Statements, and Consolidated Statement of Changes in Equity in the Consolidated Financial Statements
 - 2) Notes to Non-consolidated Financial Statements and Notes to Consolidated Financial Statements
 - ◎ Any revisions made to the Reference Documents for the General Meeting of Shareholders, Business Report, Financial Statements, and Consolidated Financial Statements will be posted on the Company's website (<http://www2.matsuya.com/soukai/>).

Prevention Measures against the Spread of the Novel Coronavirus Disease (COVID-19)

<Our prevention measures>

- The Company's Directors and Corporate Officers and the meeting staff will be wearing face masks.
- Bottles of alcohol sanitizers will be available for use at various points in the venue.
- No smoking room or complimentary drinks will be provided.
- We will make an effort to shorten the meeting time.

<Requests to our shareholders>

- Shareholders considering attendance at the meeting are asked to take priority in their health and safety and refrain from attending depending on their health condition.
- Shareholders who are elderly, expecting, or with an underlying disease, are especially advised to take caution in deciding whether to attend the meeting.
- We strongly recommend shareholders to exercise their voting rights in writing or via the Internet.

[Deadline for exercising voting rights: Received or submitted by Wednesday, May 25, 2022 at 6 p.m., Japan time]

* For details, please refer to pages 4 through 6 of the "NOTICE OF THE 153RD ANNUAL GENERAL MEETING OF SHAREHOLDERS."

<Requests to shareholders attending the General Meeting of Shareholders>

- We ask shareholders attending the meeting to spray their hands with alcohol sanitizer and wear face masks.

Please visit the Company's website (<http://www2.matsuya.com/ir/>) for updates on any major changes to the operation or the venue of the meeting depending on future circumstances.

We apologize for any inconvenience caused and appreciate your understanding and support.

Instructions for Exercising Voting Rights

Voting rights at General Meetings of Shareholders are an important right for shareholders. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

You may exercise your voting rights using any of the following three methods.

Exercising voting rights in writing (by postal mail)

Indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and mail it. There is no need to affix a postage stamp for mailing.

Deadline for exercising voting rights: Received by Wednesday, May 25, 2022 at 6 p.m., Japan time

Exercising voting rights via the Internet

Access the website for exercising voting rights (<https://evote.tr.mufg.jp/>) using a smartphone, personal computer, etc. and enter the “login ID” and “temporary password” printed on the enclosed Voting Rights Exercise Form to indicate your vote for or against the proposal following the on-screen guidance.

(Service is suspended between 2 a.m. and 5 a.m. on all days.)

Deadline for exercising voting rights: Submitted by Wednesday, May 25, 2022 at 6 p.m., Japan time

(See pages 5 through 6 for instructions on how to exercise voting rights.)

Attending the General Meeting of Shareholders

Please bring the enclosed Voting Rights Exercise Form and **submit it to the meeting venue reception desk** on the day of the upcoming Annual General Meeting of Shareholders. (No need to put your seal.)

When attending the meeting, **make sure to bring this Notice with you.**

Date and time: Thursday, May 26, 2022 at 10 a.m., Japan time

(Reception starts at 9 a.m.)

**Place: The second floor hall of GINZA BLOSSOM Chuo Kaikan
located at 2-15-6 Ginza, Chuo-ku, Tokyo**

Instructions for Exercising Voting Rights via the Internet

If you wish to exercise your voting rights via the Internet, access the website for exercising voting rights using a smartphone, personal computer, etc. and exercise your voting rights following the on-screen guidance. (Service is suspended between 2 a.m. and 5 a.m. on all days.)

Deadline for exercising voting rights: Submitted by Wednesday, May 25, 2022 at 6 p.m., Japan time

Via smartphone Scanning QR Code

1. Scan QR Code
2. Follow the on-screen guidance to indicate a vote for or against the proposal

You can log into the service by scanning the “**login QR Code**” printed on the Voting Rights Exercise Form.

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

No entry of “login ID” and “temporary password” is required for exercising voting rights from a smartphone.

Exercising of voting rights using the above method is limited to only once.
To log in for the second time or later, follow the instructions on the next page.

**Via personal computer, etc.
Entering “login ID” and “temporary password”**

1. Access the website for exercising voting rights (<https://evote.tr.mufg.jp/>)
Click “go on to the next page”
2. Enter the “login ID” and “temporary password” printed on the Voting Rights Exercise Form
Click “login”
3. Fill out both “new password” and “new password (for confirmation)” boxes
Click “send”

Thereafter, follow the on-screen guidance to indicate a vote for or against the proposal.

(Notes)

- If you are exercising your voting rights via the Internet, you are not required to complete the procedure by postal mail.
- If you exercise your voting rights both by postal mail and via the Internet, we will consider the Internet vote to be the valid vote.
- If you exercise your voting rights via the Internet multiple times, we will consider the most recent vote to be the valid vote.
- Any costs arising from accessing the website for exercising voting rights (Internet connection fees, etc.) will be borne by the shareholder. In case you are exercising voting rights using a smartphone, packet communication fees will be borne by the shareholder as well.

For inquiries concerning operation of the website for exercising voting rights, please contact:

Mitsubishi UFJ Trust and Banking Corporation, Securities Agency Division (Help Desk)

- Toll-free service phone number in Japan: 0120-173-027 (Business hours: 9 a.m. – 9 p.m.)

[Voting Rights Exercise Platform]

In addition to the above method to exercise voting rights via the Internet, nominee shareholders such as trust and custody services banks (including standing proxies) may use the Voting Rights Exercise Platform operated by ICJ, Inc., a joint company established by the Tokyo Stock Exchange, Inc. and other companies, as an electromagnetic means of exercising voting rights at the Company’s General Meeting of Shareholders. Please note that this service is only available for those who requested in advance.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The Company will transition to a Company with an Audit and Supervisory Committee to further enhance management transparency by strengthening the oversight function of the Board of Directors and its corporate governance and to enable swifter decision-making. Accordingly, the Company proposes making necessary changes to its Articles of Incorporation. Changes include establishing new provisions on the Audit and Supervisory Committee and its members and deleting provisions on the Board of Corporate Auditors and Corporate Auditors as well as establishing new provisions on the delegation of authority to Directors to make management more efficient and enable swift decision-making through empowerment.
- (2) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of a system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows:
 - 1) The proposed Article 15, Paragraph 1 stipulates that the Company shall take electronic provision measures for information contained in the Reference Documents for the General Meeting of Shareholders, etc.
 - 2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
 - 3) The provision related to the Internet Disclosure and Deemed Provision of the Reference Documents for the General Meeting of Shareholders, Etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
 - 4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

In line with the above changes, necessary changes shall be also made to organize the number of articles, etc.

2. Details of amendments

The details of the amendments are as follows.

This proposal shall come into effect at the conclusion of this General Meeting of Shareholders.

Note: Amended parts are underlined.

Current Articles of Incorporation	Proposed Amendments
Chapter 3 General Meeting of Shareholders <u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> Article 15 The Company <u>may, for</u> convening a general meeting of shareholders, <u>deem that it has provided information to shareholders pertaining to matters to be described or indicated</u> in the reference documents for the general meeting of shareholders, <u>business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u>	Chapter 3 General Meeting of Shareholders <u>(Electronic Provision Measures, Etc.)</u> Article 15 The Company <u>shall, when</u> convening a general meeting of shareholders, <u>take electronic provision measures for information contained</u> in the reference documents for the general meeting of shareholders, <u>etc.</u>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="384 208 596 241">(Newly established)</p> <p data-bbox="185 465 571 499">Articles 16 through 18 (Omitted)</p> <p data-bbox="229 526 751 560">Chapter 4 Directors and Board of Directors</p> <p data-bbox="185 560 571 593">Article 19 (Omitted)</p> <p data-bbox="185 620 571 654">(Number and Election of Directors)</p> <p data-bbox="185 654 798 710">Article 20 The Company shall have ten (10) or fewer Directors.</p> <p data-bbox="384 739 596 772">(Newly established)</p> <p data-bbox="261 862 798 1135">2. Directors shall be elected by a resolution of a general meeting of shareholders. Voting on the resolution shall take place with the presence of shareholders who have one-third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights, and a majority of the votes of the shareholders present shall be requisite for adoption of the resolution.</p> <p data-bbox="185 1232 499 1265">(Term of Office of Directors)</p> <p data-bbox="185 1265 596 1321">Article 21 (Omitted) (Newly established)</p> <p data-bbox="384 1505 596 1538">(Newly established)</p> <p data-bbox="185 1789 571 1823">Articles 22 through 24 (Omitted)</p>	<p data-bbox="1007 174 1257 208">Proposed Amendments</p> <p data-bbox="906 208 1442 421">2. <u>Among the matters to be provided through electronic provision measures, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p data-bbox="823 465 1246 499">Articles 16 through 18 (Unchanged)</p> <p data-bbox="868 526 1390 560">Chapter 4 Directors and Board of Directors</p> <p data-bbox="823 560 1246 593">Article 19 (Unchanged)</p> <p data-bbox="823 620 1209 654">(Number and Election of Directors)</p> <p data-bbox="823 654 1442 736">Article 20 The Company shall have ten (10) or fewer Directors <u>(excluding Directors who are Audit and Supervisory Committee Members).</u></p> <p data-bbox="906 739 1442 862">2. <u>The Company shall have five (5) or fewer Directors who are Audit and Supervisory Committee Members (“Audit and Supervisory Committee Members”).</u></p> <p data-bbox="906 862 1442 1198">3. <u>Directors shall be elected by a resolution of a general meeting of shareholders that distinguishes between Audit and Supervisory Committee Members and other Directors. Voting on the resolution shall take place with the presence of shareholders who have one-third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights, and a majority of the votes of the shareholders present shall be requisite for adoption of the resolution.</u></p> <p data-bbox="823 1232 1137 1265">(Term of Office of Directors)</p> <p data-bbox="823 1265 1246 1299">Article 21 (Unchanged)</p> <p data-bbox="906 1299 1442 1505">2. <u>Notwithstanding the provisions of the preceding paragraph, the term of office of Audit and Supervisory Committee Members shall be up to the time of closing of the annual general meeting of shareholders concerning the last business year ending within two (2) years after their election.</u></p> <p data-bbox="906 1505 1442 1749">3. <u>The term of office of an Audit and Supervisory Committee Member who was elected to fill a vacancy due to the retirement of an Audit and Supervisory Committee Member from office before expiration of his or her term of office shall be up to the time of expiration of the term of office of such retiring Audit and Supervisory Committee Member.</u></p> <p data-bbox="823 1789 1246 1823">Articles 22 through 24 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Notice of Meetings of the Board of Directors) Article 25 Notice of a meeting of the Board of Directors shall be given to each Director <u>and each Corporate Auditor</u> at least three (3) days prior to the date set for the meeting; provided, however, that such number of days may be reduced in the case of an emergency.</p>	<p>(Notice of Meetings of the Board of Directors) Article 25 Notice of a meeting of the Board of Directors shall be given to each Director at least three (3) days prior to the date set for the meeting; provided, however, that such number of days may be reduced in the case of an emergency.</p>
<p>Article 26 (Omitted)</p>	<p>Article 26 (Unchanged)</p>
<p>(Omission of Resolutions of the Board of Directors) Article 27 The Company shall, when all the Directors indicate their consent to a proposal in writing or by electromagnetic record, deem such indication to be the resolution of the Board of Directors adopting the proposal, <u>unless the Corporate Auditors have stated their objection to that proposal.</u></p> <p>(Newly established)</p>	<p>(Omission of Resolutions of the Board of Directors) Article 27 The Company shall, when all the Directors indicate their consent to a proposal in writing or by electromagnetic record, deem such indication to be the resolution of the Board of Directors adopting the proposal.</p>
<p>(Minutes of Meetings of the Board of Directors) Article 28 The substance of the proceedings at a meeting of the Board of Directors, the results thereof, and the other matters provided by laws and regulations shall be entered or recorded in the minutes, and the Directors <u>and Corporate Auditors</u> present shall inscribe their names and affix their seals thereon or put their electronic signatures thereon.</p>	<p><u>(Delegation of a Decision to Directors on the Execution of Operations)</u> <u>Article 28 Under Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate all or some of the decisions on the execution of important operations (excluding matters listed in the items under the same article, Paragraph 5) to Directors by a resolution of the Board of Directors.</u></p> <p>(Minutes of Meetings of the Board of Directors) Article 29 The substance of the proceedings at a meeting of the Board of Directors, the results thereof, and the other matters provided by laws and regulations shall be entered or recorded in the minutes, and the Directors present shall inscribe their names and affix their seals thereon or put their electronic signatures thereon.</p>
<p>(Board of Directors Rules) Article 29 (Omitted)</p>	<p>(Board of Directors Rules) Article 30 (Unchanged)</p>
<p>(Executive Adviser, Corporate Adviser and Manager) Article 30 (Omitted)</p>	<p>(Executive Adviser, Corporate Adviser and Manager) Article 31 (Unchanged)</p>
<p>(Remuneration, Etc. for Directors) Article 31 Remuneration, etc. for Directors shall be determined by a resolution of a general meeting of shareholders.</p>	<p>(Remuneration, Etc. for Directors) Article 32 Remuneration, etc. for Directors shall be determined by a resolution of a general meeting of shareholders <u>that distinguishes between Audit and Supervisory Committee Members and other Directors.</u></p>
<p>(Agreement on Limitation of Liabilities of Directors) Article 32 (Omitted)</p>	<p>(Agreement on Limitation of Liabilities of Directors) Article 33 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 5 <u>Corporate Auditors and Board of Corporate Auditors</u></p> <p>(Establishment of <u>Corporate Auditors and the Board of Corporate Auditors</u>)</p> <p>Article <u>33</u> The Company shall have <u>Corporate Auditors</u> and the Board of Corporate Auditors.</p> <p>(Number and Election of Corporate Auditors)</p> <p>Article <u>34</u> The Company shall have five (5) or fewer <u>Corporate Auditors</u>.</p> <p>2. <u>Corporate Auditors shall be elected by a resolution of a general meeting of shareholders. Voting on the resolution shall take place with the presence of shareholders who have one-third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights, and a majority of the votes of the shareholders present shall be requisite for adoption of the resolution.</u></p> <p>(Term of Office of Corporate Auditors)</p> <p>Article <u>35</u> The term of office of Corporate Auditors shall be up to the time of closing of the annual general meeting of shareholders concerning the last business year ending within four (4) years after their election.</p> <p>2. The term of office of a Corporate Auditor elected to fill a vacancy shall be the remaining term of office of his or her predecessor.</p> <p>(Full-time Corporate Auditors)</p> <p>Article <u>36</u> The Board of Corporate Auditors shall appoint Full-time <u>Corporate Auditors</u> among all the <u>Corporate Auditors</u>.</p> <p>(Notice of Meetings of <u>the Board of Corporate Auditors</u>)</p> <p>Article <u>37</u> Notice of a meeting of <u>the Board of Corporate Auditors</u> shall be given to each <u>Corporate Auditor</u> at least three (3) days prior to the date set for the meeting; provided, however, that such number of days may be reduced in the case of an emergency.</p> <p>(Method of Adopting Resolutions of <u>the Board of Corporate Auditors</u>)</p> <p>Article <u>38</u> <u>Unless otherwise provided by laws and regulations, all resolutions of the Board of Corporate Auditors shall be adopted by a majority of the Corporate Auditors.</u></p>	<p>Chapter 5 <u>Audit and Supervisory Committee</u></p> <p>(Establishment of <u>the Audit and Supervisory Committee</u>)</p> <p>Article <u>34</u> The Company shall have <u>the Audit and Supervisory Committee</u>.</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Full-time <u>Audit and Supervisory Committee Members</u>)</p> <p>Article <u>35</u> <u>The Audit and Supervisory Committee may appoint Full-time Audit and Supervisory Committee Members among all the Audit and Supervisory Committee Members.</u></p> <p>(Notice of Meetings of <u>the Audit and Supervisory Committee</u>)</p> <p>Article <u>36</u> Notice of a meeting of <u>the Audit and Supervisory Committee</u> shall be given to each <u>Audit and Supervisory Committee Member</u> at least three (3) days prior to the date set for the meeting; provided, however, that such number of days may be reduced in the case of an emergency.</p> <p>(Method of Adopting Resolutions of <u>the Audit and Supervisory Committee</u>)</p> <p>Article <u>37</u> All resolutions of <u>the Audit and Supervisory Committee</u> shall be adopted by a majority of <u>the Audit and Supervisory Committee Members present at the meeting at which a majority of the Audit and Supervisory Committee Members are present.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Minutes of Meetings of <u>the Board of Corporate Auditors</u>)</p> <p>Article <u>39</u> The substance of the proceedings at a meeting of <u>the Board of Corporate Auditors</u>, the results thereof, and the other matters provided by laws and regulations shall be entered or recorded in the minutes, and <u>the Corporate Auditors</u> present shall inscribe their names and affix their seals thereon or put their electronic signatures thereon.</p>	<p>(Minutes of Meetings of <u>the Audit and Supervisory Committee</u>)</p> <p>Article <u>38</u> The substance of the proceedings at a meeting of <u>the Audit and Supervisory Committee</u>, the results thereof, and the other matters provided by laws and regulations shall be entered or recorded in the minutes, and <u>the Audit and Supervisory Committee Members</u> present shall inscribe their names and affix their seals thereon or put their electronic signatures thereon.</p>
<p>(<u>Board of Corporate Auditors</u> Rules)</p> <p>Article <u>40</u> Other matters concerning <u>the Board of Corporate Auditors</u> shall be governed by <u>the Board of Corporate Auditors</u> Rules separately established by <u>the Board of Corporate Auditors</u>.</p>	<p>(<u>Audit and Supervisory Committee</u> Rules)</p> <p>Article <u>39</u> Other matters concerning <u>the Audit and Supervisory Committee</u> shall be governed by <u>the Audit and Supervisory Committee</u> Rules separately established by <u>the Audit and Supervisory Committee</u>.</p>
<p>(<u>Remuneration, Etc. for Corporate Auditors</u>)</p> <p>Article <u>41</u> <u>Remuneration, etc. for Corporate Auditors shall be determined by a resolution of a general meeting of shareholders.</u></p>	<p>(Deleted)</p>
<p>(<u>Agreement on Limitation of Liabilities of Corporate Auditors</u>)</p> <p>Article <u>42</u> <u>The Company may conclude an agreement with Corporate Auditors to limit their liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act for cases falling under the requirements specified in laws and regulations; provided, however, that the limit of such liability shall be the predetermined amount of four million (4,000,000) yen or more, or the minimum liability amount as stipulated by laws and regulations, whichever is higher.</u></p>	<p>(Deleted)</p>
<p>Chapter 6 Accounting Auditor</p> <p>(Establishment of Accounting Auditor)</p> <p>Article <u>43</u> (Omitted)</p>	<p>Chapter 6 Accounting Auditor</p> <p>(Establishment of Accounting Auditor)</p> <p>Article <u>40</u> (Unchanged)</p>
<p>(Election of Accounting Auditor)</p> <p>Article <u>44</u> (Omitted)</p>	<p>(Election of Accounting Auditor)</p> <p>Article <u>41</u> (Unchanged)</p>
<p>(Term of Office of Accounting Auditor)</p> <p>Article <u>45</u> (Omitted)</p>	<p>(Term of Office of Accounting Auditor)</p> <p>Article <u>42</u> (Unchanged)</p>
<p>(Remuneration, Etc. for Accounting Auditor)</p> <p>Article <u>46</u> <u>Remuneration, etc. for an Accounting Auditor shall be determined by the Representative Director upon obtaining consent of <u>the Board of Corporate Auditors</u>.</u></p>	<p>(Remuneration, Etc. for Accounting Auditor)</p> <p>Article <u>43</u> <u>Remuneration, etc. for an Accounting Auditor shall be determined by the Representative Director upon obtaining consent of <u>the Audit and Supervisory Committee</u>.</u></p>
<p>Chapter 7 Accounts</p> <p>(Business Year)</p> <p>Article <u>47</u> (Omitted)</p>	<p>Chapter 7 Accounts</p> <p>(Business Year)</p> <p>Article <u>44</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
(Organ to Decide on Matters Including Dividends from Surplus) Article <u>48</u> (Omitted)	(Organ to Decide on Matters Including Dividends from Surplus) Article <u>45</u> (Unchanged)
(Record Date for Dividends from Surplus) Article <u>49</u> (Omitted)	(Record Date for Dividends from Surplus) Article <u>46</u> (Unchanged)
(Lapse of the Rights on Year-end Dividends, Etc.) Article <u>50</u> (Omitted)	(Lapse of the Rights on Year-end Dividends, Etc.) Article <u>47</u> (Unchanged)
Chapter 8 Takeover Defense Measures (Proposals to be Resolved at a General Meeting of Shareholders) Article <u>51</u> (Omitted)	Chapter 8 Takeover Defense Measures (Proposals to be Resolved at a General Meeting of Shareholders) Article <u>48</u> (Unchanged)
(Special Committee) Article <u>52</u> (Omitted) 2. The Special Committee shall be composed of three (3) or more Outside Directors <u>or Outside Auditors</u> . 3. Notwithstanding the provisions of the preceding paragraph, the Board of Directors may, upon obtaining consent of Outside Directors <u>and Outside Auditors</u> , add an external expert to the members of the Special Committee; provided, however, that the number of external experts shall not account for more than half of the Special Committee members. (Newly established)	(Special Committee) Article <u>49</u> (Unchanged) 2. The Special Committee shall be composed of three (3) or more Outside Directors. 3. Notwithstanding the provisions of the preceding paragraph, the Board of Directors may, upon obtaining consent of Outside Directors, add an external expert to the members of the Special Committee; provided, however, that the number of external experts shall not account for more than half of the Special Committee members. <u>Supplementary Provisions</u> <u>(Transitional Measures for Agreement on Limitation of Liabilities of Corporate Auditors)</u> <u>Article 1</u> The agreement with Corporate Auditors to <u>limit their liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act shall remain in force as stipulated in Article 42 of the Articles of Incorporation, which is before being amended by a resolution of the 153rd Annual General Meeting of Shareholders, for the actions of Corporate Auditors (including persons who were Corporate Auditors) conducted before the conclusion of the same Annual General Meeting of Shareholders.</u> <u>(Transitional Measures for Electronic Provision Measures, Etc.)</u> <u>Article 2</u> The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the pre-amendment Articles of Incorporation and the newly established Article 15 (Electronic Provision Measures, Etc.) of the post-amendment Articles of Incorporation shall come into effect on September 1, 2022 (the “Effective Date”).

Current Articles of Incorporation	Proposed Amendments
	<p data-bbox="906 208 1439 387">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the pre-amendment Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six (6) months from the Effective Date.</u></p> <p data-bbox="906 387 1439 566">3. <u>The provisions of this article shall be deleted after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 2: Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval of Proposal 1 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a Company with an Audit and Supervisory Committee and the terms of office of all 8 Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 9 Directors (excluding Directors who are Audit and Supervisory Committee Members) is proposed in order to further reinforce the Company’s corporate governance system.

This proposal will take effect when Proposal 1 “Partial Amendments to the Articles of Incorporation” comes into effect.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

Candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members)

(* indicates a new candidate)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
1	Masaki Akita (December 24, 1958)	<p>July 1991 Joined the Company</p> <p>May 1999 Director</p> <p>May 2001 Managing Director</p> <p>March 2005 Senior Managing Director; General Manager, Sales Division</p> <p>May 2005 Representative Director and Vice President; General Manager, Sales Division</p> <p>May 2007 Representative Director and President; General Manager, Sales Division</p> <p>May 2008 Representative Director, President and Executive Operating Officer; General Manager, Sales Division</p> <p>May 2009 Representative Director, President and Executive Operating Officer</p> <p>November 2014 Representative Director, President and Executive Operating Officer; General Manager, Sales Division</p> <p>May 2015 Representative Director, President and Executive Operating Officer (current position)</p> <p>[Significant concurrent positions]</p> <p>Representative Director and Chairman, Ginza Core Co., Ltd.</p> <p>Outside Director, Meiji Yasuda Life Insurance Company</p>	46,100	See Note 1 below

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
2	Takehiko Furuya (August 17, 1973)	<p>April 1996 Joined The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p>July 2001 Joined the Company</p> <p>May 2008 Completed the Master of International Affairs at Columbia University School of International and Public Affairs (SIPA)</p> <p>May 2011 Director and Operating Officer; Head, the Secretariat of the Structural Reform Promotion Committee; General Manager, General Store Women's Wear Division I</p> <p>March 2013 Director and Operating Officer; General Store Manager</p> <p>November 2014 Director and Operating Officer; Associate General Manager, Sales Division; General Store Manager</p> <p>May 2015 Director and Managing Operating Officer; General Manager, Sales Division; General Store Manager</p> <p>March 2016 Director and Managing Operating Officer; in charge of Group Business Planning Division and Business Strategies Office</p> <p>March 2018 Director and Managing Operating Officer; in charge of Group Business Planning Division, Business Strategies Office and Accounting Division</p> <p>May 2019 Director and Senior Executive Operating Officer; in charge of Group Business Planning Division, Business Strategies Office and Accounting Division</p> <p>September 2019 Director and Senior Executive Operating Officer; in charge of Group Business Planning Division, Business Strategies Division and Accounting Division</p> <p>March 2021 Representative Director and Senior Executive Operating Officer; General Manager, Corporate Planning Office; administration of Accounting Division; in charge of Environmental Management Division</p> <p>March 2022 Representative Director, Senior Executive Operating Officer and Assistant to President; General Manager, Corporate Planning Office; administration of Accounting Division; in charge of Environmental Management Division (current position)</p>	172,000	None
3	Naoki Yokozeki (March 10, 1962)	<p>April 1984 Joined the Company</p> <p>May 2007 Operating Officer; Assistant Manager in charge of General Store Merchandise and General Manager, Sales Planning Division and General Manager, Advertising Division</p> <p>May 2015 Senior Operating Officer; Associate Store Manager (Merchandise); General Manager, Merchandise Strategies Office</p> <p>March 2016 Senior Operating Officer; Associate General Manager, Sales Division; General Store Manager</p> <p>March 2018 Managing Operating Officer; General Manager, Sales Division</p> <p>May 2018 Director and Managing Operating Officer; General Manager, Sales Division (current position)</p> <p>[Significant concurrent positions] Representative Director and President, Scandex Co., Ltd.</p>	8,200	None

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
4	Kazunori Morita (December 13, 1962)	<p>April 1986 Joined the Company</p> <p>May 2011 Operating Officer; General Manager, Human Resources Division</p> <p>March 2012 Operating Officer; General Manager, Corporate Planning Division; in charge of Human Resources Division</p> <p>March 2013 Operating Officer; in charge of Human Resources Division</p> <p>May 2013 Operating Officer; in charge of Accounting Division and Human Resources Division</p> <p>September 2015 Operating Officer; General Manager, General Affairs Division; in charge of Human Resources Division</p> <p>May 2016 Senior Operating Officer; General Manager, General Affairs Division; in charge of Human Resources Division</p> <p>May 2019 Managing Operating Officer; General Manager, General Affairs Division; in charge of Human Resources Division</p> <p>September 2019 Managing Operating Officer; Assistant to President; in charge of General Affairs Division and Human Resources Division</p> <p>March 2021 Managing Operating Officer; Assistant to President; in charge of Corporate Planning Division, Digitalization Promotion Division, and General Affairs Division</p> <p>May 2021 Director and Managing Operating Officer; Assistant to President; in charge of Corporate Planning Division, Digitalization Promotion Division, and General Affairs Division</p> <p>March 2022 Director and Managing Operating Officer; in charge of Corporate Planning Division, Digitalization Promotion Division, and General Affairs Division (current position)</p>	6,200	None
5	Akiko Kawai (April 28, 1960)	<p>April 1983 Joined the Company</p> <p>May 2014 Operating Officer; Head, the Secretariat of the Structural Reform Promotion Committee; General Manager, General Store Sales Promotion Division</p> <p>July 2014 Operating Officer; Head, the Secretariat of the Structural Reform Promotion Committee; Assistant Manager in charge of Store Operation of General Store</p> <p>September 2014 Operating Officer; Head, the Secretariat of the Structural Reform Promotion Committee; Associate Store Manager (Store Operation)</p> <p>May 2015 Director and Operating Officer; Head, the Secretariat of the Structural Reform Promotion Committee; Associate Store Manager (Store Operation)</p> <p>March 2018 Director and Senior Operating Officer; General Store Manager; Head, the Secretariat of the Structural Reform Promotion Committee</p> <p>May 2018 Director and Senior Operating Officer; General Store Manager</p> <p>March 2021 Director and Senior Operating Officer; in charge of Human Resources Division and Structural Reform Promotion Committee (current position)</p>	5,600	None

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
6	Yoshizumi Nezu (October 26, 1951)	<p>April 1974 Joined Tobu Railway Co., Ltd.</p> <p>June 1999 President, Tobu Railway Co., Ltd.</p> <p>May 2002 Outside Director, the Company (current position)</p> <p>April 2018 President and Executive Operating Officer, Tobu Railway Co., Ltd. (current position)</p> <p>[Significant concurrent positions]</p> <p>President and Executive Operating Officer, Tobu Railway Co., Ltd.</p> <p>External Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company</p>	22,000	See Note 2 below
7	Hitoshi Kashiwaki (September 6, 1957)	<p>April 1981 Joined Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>April 1994 General Manager, Finance Division</p> <p>June 1997 Board Director</p> <p>June 2001 Board Director and Managing Corporate Executive Officer</p> <p>April 2003 Representative Director and Managing Corporate Executive Officer (COO)</p> <p>June 2003 President, Representative Director and COO</p> <p>April 2004 President, Representative Director and CEO</p> <p>April 2012 Board Director and Advisor</p> <p>May 2016 Outside Director, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Outside Director, ASICS Corporation</p> <p>Outside Director, TBS HOLDINGS, INC.</p> <p>Outside Director, Kewpie Corporation</p>	7,200	None
8	Masako Yoshida (June 11, 1961)	<p>April 1980 Joined Tokio Marine and Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)</p> <p>July 2009 Deputy Manager, Keiyo Branch; General Manager, Funabashi Branch</p> <p>August 2011 General Manager, Travel Business Department</p> <p>July 2012 Executive Director; General Manager, Travel Business Department</p> <p>June 2013 Executive Officer; General Manager, Travel Business Department</p> <p>April 2015 Executive Officer; General Manager, Chiba Branch</p> <p>May 2017 Outside Director, the Company (current position)</p> <p>April 2018 Managing Executive Officer in charge of Shikoku Area, Tokio Marine & Nichido Fire Insurance Co., Ltd.</p> <p>April 2021 Managing Executive Officer</p> <p>April 2022 Managing Director (current position)</p> <p>[Significant concurrent positions]</p> <p>Managing Director, Tokio Marine & Nichido Fire Insurance Co., Ltd.</p>	2,900	None

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
9 (*)	Nanako Ishido (Name on family register: Nanako Muramoto) (July 7, 1979)	<p>April 2002 Visiting scholar, Massachusetts Institute of Technology Media Lab</p> <p>January 2011 Established Digital Ehon Inc.; CEO (current position)</p> <p>April 2018 Professor, Keio University Graduate School of Media Design (current position)</p> <p>May 2018 President, Learning of Tomorrow (current position)</p> <p>April 2019 President, CANVAS (current position); Audit & Supervisory Board Member, Ghelia Inc. (current position)</p> <p>January 2020 Outside Director, Amuseum Parks Inc. (current position)</p> <p>June 2021 Head, B Lab, iU Information Management Innovation Professional College (current position)</p> <p>[Significant concurrent positions]</p> <p>Professor, Keio University Graduate School of Media Design</p> <p>President, Learning of Tomorrow</p> <p>Head, B Lab, iU Information Management Innovation Professional College</p> <p>President, CANVAS</p> <p>CEO, Digital Ehon Inc.</p>	–	None

(Notes)

- Relationship between the Company and the candidate for Director Mr. Masaki Akita
Mr. Masaki Akita is Representative Director and Chairman of Ginza Core Co., Ltd., between which the Company is in competitive relationship in certain areas, and with which the Company engages in building leasing transactions, etc.
- Relationship between the Company and the candidate for Director Mr. Yoshizumi Nezu
The Company has real estate lease transactions, etc. concerning the operation of Asakusa Store with Tobu Railway Co., Ltd., where Mr. Yoshizumi Nezu serves as President and Executive Operating Officer.
- Mr. Yoshizumi Nezu, Mr. Hitoshi Kashiwaki, Ms. Masako Yoshida and Ms. Nanako Ishido are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- The Company has designated Mr. Hitoshi Kashiwaki and Ms. Masako Yoshida as independent directors as stipulated by the rules of the Tokyo Stock Exchange, and has registered them as such with the Exchange. If their reelection is approved, they will remain as independent directors. In addition, Ms. Nanako Ishido is a candidate for independent director.
- Reasons for nomination as candidates for Directors and outline of the roles expected of candidates for Outside Directors
 - Mr. Masaki Akita was nominated as a candidate based on our belief that he is well-suited to serve as a Director due to his considerable knowledge and experience regarding the overall management including the department store business, group business planning, and corporate governance, as well as his outstanding leadership that has brought the Group together.
 - Mr. Takehiko Furuya was nominated as a candidate based on our belief that he is well-suited to serve as a Director due to his considerable knowledge and experience regarding overall management including the department store business, group business planning, and corporate governance.
 - Mr. Naoki Yokozeke was nominated as a candidate based on our belief that he is well-suited to serve as a Director due to his considerable knowledge and experience regarding each of our businesses including the department store business, which will enable him to engage in the management of the Company with a broad perspective.
 - Mr. Kazunori Morita was nominated as a candidate based on our belief that he is well-suited to serve as a Director due to his considerable knowledge and experience regarding the overall administrative divisions of the department store business, which will enable him to engage in the management of the Company with a broad perspective.
 - Ms. Akiko Kawai was nominated as a candidate based on our belief that she is well-suited to serve as a Director due to her considerable knowledge and experience regarding improving operational efficiency and productivity in the department store business and reforming corporate culture.
 - Mr. Yoshizumi Nezu was nominated as a candidate for Outside Director with the expectation that his excellent knowledge and in-depth experience as an experienced corporate manager will be reflected in the Company's management.
 - Mr. Hitoshi Kashiwaki was nominated as a candidate for Outside Director with the expectation that his excellent knowledge and in-depth experience as an experienced corporate manager will be reflected in the Company's management.
 - Ms. Masako Yoshida was nominated as a candidate for Outside Director with the expectation that her rich experience and broad knowledge accumulated at a general insurance company will be reflected in the Company's management.
 - Ms. Nanako Ishido was nominated as a candidate for Outside Director with the expectation that her expertise as a person with academic knowledge and experience and her rich experience and broad knowledge accumulated in the

IT and digital field will be reflected in the Company's management.

6. Number of years as Outside Director since each candidate for Outside Director assumed office
 - (1) Mr. Yoshizumi Nezu will have served as Outside Director for 20 years at the conclusion of this year's Annual General Meeting of Shareholders.
 - (2) Mr. Hitoshi Kashiwaki will have served as Outside Director for 6 years at the conclusion of this year's Annual General Meeting of Shareholders.
 - (3) Ms. Masako Yoshida will have served as Outside Director for 5 years at the conclusion of this year's Annual General Meeting of Shareholders.
7. Liability limitation agreements concluded with each Director

The Company has concluded an agreement with each of Messrs. Yoshizumi Nezu and Hitoshi Kashiwaki, and Ms. Masako Yoshida to limit their liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act to the predetermined amount of four million yen or more, or the minimum liability amount as stipulated by laws and regulations, whichever is higher, for cases falling under the requirements specified in laws and regulations. If their reelection is approved, the Company intends to continue the aforementioned liability limitation agreement with each of them.

In addition, if the election of Ms. Nanako Ishido is approved, the Company intends to conclude an agreement with her to limit her liability pursuant to Article 423, Paragraph 1 of the Companies Act to the predetermined amount of four million yen or more, or the minimum liability amount as stipulated by laws and regulations, whichever is higher, for cases falling under the requirements specified in laws and regulations.
8. Outline of the directors and officers liability insurance contract

The Company has a policy to enter into a directors and officers liability insurance ("D&O Insurance") contract with an insurance company for the Company's and its subsidiaries' Directors, Corporate Auditors and Executive Officers as the insured, as provided for in Article 430-3, Paragraph 1 of the Companies Act and use the D&O Insurance to cover the damage that may arise when the insured are held liable for damages in the course of performing their duties (excluding, however, those that constitute any of the exemptions specified in the insurance policy). The Company and its subsidiaries pay the entire amount of the premiums for the insured. If the appointment of the candidates for Directors (excluding Audit and Supervisory Committee Members) is approved and the candidates assume the office of Directors (excluding Audit and Supervisory Committee Members), they will be named as the insured of the D&O Insurance policies. The Company plans to renew the D&O Insurance policies in October 2022.

Proposal 3: Election of 4 Directors Who Are Audit and Supervisory Committee Members

Subject to the approval of Proposal 1 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the election of 4 Directors who are Audit and Supervisory Committee Members is proposed.

The Board of Corporate Auditors has previously given its approval to the submission of this proposal to this Annual General Meeting of Shareholders.

This proposal will take effect when Proposal 1 “Partial Amendments to the Articles of Incorporation” comes into effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidates for Directors who are Audit and Supervisory Committee Members

(* indicates new candidates)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
1 (*)	Shinichi Mayama (June 20, 1959)	<p>April 1983 Joined the Company</p> <p>March 2005 General Manager in Charge of Accounting</p> <p>March 2008 General Manager, Accounting Division</p> <p>December 2011 General Manager, General Affairs Division, Scandex Co., Ltd.</p> <p>March 2012 Director and Executive Operating Officer; General Manager, General Affairs Division</p> <p>March 2015 General Manager attached to General Affairs Division, the Company</p> <p>May 2015 Corporate Auditor (current position)</p>	4,300	None
2 (*)	Youhei Furuhata (May 28, 1949)	<p>April 1974 Joined Nippon Signal Co., Ltd.</p> <p>April 1997 General Manager, Automatic Fare Collection Sales Department of Sales and Marketing Head Office</p> <p>June 2000 Executive Officer; General Manager, Automatic Fare Collection Business Department</p> <p>June 2003 Executive Officer; General Manager, Automatic Fare Collection Business Department; General Manager, Visionary Business Center</p> <p>June 2004 Director; Managing Executive Officer; Responsible for Visionary Business Center and Automatic Fare Collection Business</p> <p>June 2006 Director; Deputy Chief Executive Officer; Responsible for Corporate Strategy, Business Audit, and Visionary Business Center; General Manager, Visionary Business Center</p> <p>June 2008 Representative Director and President; Chief Operating Officer</p> <p>June 2012 Representative Director and President; Chief Executive Officer; Chief Operating Officer</p> <p>April 2015 Representative Director and President; Chief Executive Officer</p> <p>June 2016 Chairman; Chief Executive Officer</p> <p>May 2017 Outside Auditor, the Company (current position)</p> <p>June 2020 Director and Chairman, Nippon Signal Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Director and Chairman, Nippon Signal Co., Ltd.</p>	—	None

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
3 (*)	Katsumasa Furuya (January 28, 1950)	<p>April 1973 Joined Fukoku Mutual Life Insurance Company</p> <p>April 1998 General Manager, Business Headquarters</p> <p>July 1998 General Manager, Retail Management Department</p> <p>July 2001 General Manager, Kinki Block; General Manager, Osaka Kita Branch</p> <p>July 2002 Director</p> <p>January 2003 Director; General Manager, Retail Management Department</p> <p>October 2004 Director; General Manager, Strategic Market Promotion Department</p> <p>July 2005 Managing Director</p> <p>April 2009 Director; Managing Executive Officer</p> <p>July 2010 Director; Deputy President and Executive Officer</p> <p>April 2019 Director</p> <p>May 2019 Outside Auditor, the Company (current position)</p> <p>July 2019 Full-time Corporate Adviser, Fukoku Mutual Life Insurance Company (current position)</p>	—	None
4 (*)	Takao Nakamura (August 25, 1965)	<p>April 1989 Joined Bank of Japan</p> <p>February 1996 Board Director; CFO, Digital Garage, Inc.</p> <p>May 1997 Vice President & Representative Director; COO & CFO</p> <p>June 1999 President & Representative Director, Infoseek, Inc.</p> <p>January 2009 Joined Torikai Law Office</p> <p>January 2016 Partner lawyer, Wadakura Gate Law Office (current position)</p> <p>May 2019 Outside Auditor, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Partner lawyer, Wadakura Gate Law Office</p> <p>Outside Director (Audit and Supervisory Committee Member), ValueCommerce Co., Ltd.</p> <p>Outside Director, Medical Data Vision Co., Ltd.</p>	—	None

(Notes)

1. Mr. Youhei Furuhashi, Mr. Katsumasa Furuya and Mr. Takao Nakamura are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
2. The Company has designated Mr. Youhei Furuhashi, Mr. Katsumasa Furuya and Mr. Takao Nakamura as independent directors as stipulated by the rules of the Tokyo Stock Exchange, and has registered them as such with the Exchange. If their election is approved, they will remain as independent directors.
3. Special notes regarding the candidates for Directors who are Audit and Supervisory Committee Members are as follows:
 - (1) Reasons for nomination as candidates for Directors who are Audit and Supervisory Committee Members and roles expected of candidates for Outside Directors
 - (i) Mr. Shinichi Mayama was nominated as a candidate for Director who is an Audit and Supervisory Committee Member based on our belief that he is well-suited to serve as a Director who is an Audit and Supervisory Committee Member due to his long-standing experience in accounting division and his considerable expertise in finance and accounting.
 - (ii) Mr. Youhei Furuhashi was nominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member with the expectation that his abundant experience and broad insight as an experienced corporate manager will be leveraged in the Company's management.
 - (iii) Mr. Katsumasa Furuya was nominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member with the expectation that his abundant experience and broad insight as an experienced corporate manager will be leveraged in the Company's management.
 - (iv) Mr. Takao Nakamura was nominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member with the expectation that his professional expertise as a lawyer mainly in the areas of compliance with laws and regulations and articles of incorporation, and establishment and maintenance of the Company's compliance system, as well as his excellent knowledge and in-depth experience as an experienced corporate manager, will be leveraged in the Company's management.
 - (2) Number of years as Outside Auditor since each candidate for Outside Director who is an Audit and Supervisory Committee Member assumed office
 - (i) Mr. Youhei Furuhashi will have served as Outside Auditor for 5 years at the conclusion of this Annual General

Meeting of Shareholders.

(ii) Mr. Katsumasa Furuya will have served as Outside Auditor for 3 years at the conclusion of this Annual General Meeting of Shareholders.

(iii) Mr. Takao Nakamura will have served as Outside Auditor for 3 years at the conclusion of this Annual General Meeting of Shareholders.

4. Details of the liability limitation agreements concluded with each Director who is an Audit and Supervisory Committee Member

The Company has concluded an agreement with each of Messrs. Shinichi Mayama, Youhei Furuhashi, Katsumasa Furuya and Takao Nakamura to limit their liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act to the predetermined amount of four million yen or more, or the minimum liability amount as stipulated by laws and regulations, whichever is higher, for cases falling under the requirements specified in laws and regulations. If their election is approved, the Company intends to continue the aforementioned liability limitation agreement with each of them.

5. Outline of the directors and officers liability insurance contract

The Company has a policy to enter into a directors and officers liability insurance (“D&O Insurance”) contract with an insurance company for the Company’s and its subsidiaries’ Directors, Corporate Auditors and Executive Officers as the insured, as provided for in Article 430-3, Paragraph 1 of the Companies Act and use the D&O Insurance to cover the damage that may arise when the insured are held liable for damages in the course of performing their duties (excluding, however, those that constitute any of the exemptions specified in the insurance policy). The Company and its subsidiaries pay the entire amount of the premiums for the insured. If the appointment of the candidates for Directors who are Audit and Supervisory Committee Members is approved and the candidates assume the office of Directors who are Audit and Supervisory Committee Members, they will be named as the insured of the D&O Insurance policies. The Company plans to renew the D&O Insurance policies in October 2022.

Reference: Expertise and skills of candidates for Directors

The fields to which the Company particularly expects the candidates for Directors to be committed in light of the Company’s type of business, scale, etc. are marked with circles.

	Name	Attribute	Management experience	Business strategy and marketing	Finance and accounting	Personnel management and training	Legal affairs and risk management	IT and digital
Directors	Masaki Akita	Representative	○	○			○	
	Takehiko Furuya	Representative	○	○	○		○	
	Naoki Yokozeki		○	○				
	Kazunori Morita				○	○	○	○
	Akiko Kawai			○		○		
	Yoshizumi Nezu	Outside Director	○	○			○	
	Hitoshi Kashiwaki	Outside Director	○	○	○			
	Masako Yoshida	Outside Director		○	○	○		
	Nanako Ishido	Outside Director		○		○		○
Directors who are Audit and Supervisory Committee Members	Shinichi Mayama				○		○	
	Youhei Furuhashi	Outside Director	○	○			○	
	Katsumasa Furuya	Outside Director	○	○	○			
	Takao Nakamura	Outside Director	○		○		○	○

Proposal 4: Determination of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the 137th Annual General Meeting of Shareholders held on May 25, 2006, it was resolved that the amount of remuneration for the Company's Directors shall be set to not more than 360 million yen per year, and it remains unchanged to date.

Subject to the approval of Proposal 1 "Partial Amendments to the Articles of Incorporation," the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, in connection with this transition, the Company proposes that the provisions for the current amount of remuneration for Directors be abolished to newly set the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) and that the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) be set to not more than 360 million yen per year (including the amount of not more than 60 million yen per year for Outside Directors).

If this proposal is approved, the Company will revise the word "Directors" as the persons who are eligible for remuneration specified in the policy on determination of details of remuneration, etc. for individual Directors on pages 14 through 16 of the Business Report (available only in Japanese version) to the word "Directors (excluding Directors who are Audit and Supervisory Committee Members)" at the meeting of the Board of Directors to be held after the closure of this Annual General Meeting of Shareholders for alignment with this proposal as approved.

This proposal is to set the scope of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) to a reasonable extent taking into account factors such as economic conditions, the scale of the Company, the number of Directors and the level of remuneration adopted by other companies. As stated above, moreover, since the Company intends to revise the policy on determination of details of remuneration, etc. for individual Directors, this proposal is deemed necessary and appropriate to determine details of remuneration, etc. for individual Directors (excluding Directors who are Audit and Supervisory Committee Members) in line with the revised policy.

In addition, the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not include the portion of employee salaries for Directors who concurrently serve as employees. If Proposal 1 "Partial Amendments to the Articles of Incorporation" and Proposal 2 "Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" are approved as originally proposed, the Company will have 9 Directors (excluding Directors who are Audit and Supervisory Committee Members; including 4 Outside Directors).

This proposal will take effect when Proposal 1 "Partial Amendments to the Articles of Incorporation" comes into effect.

Proposal 5: Determination of the Amount of Remuneration of Directors Who Are Audit and Supervisory Committee Members

Subject to the approval of Proposal 1 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, in connection with this transition, the Company proposes that the amount of remuneration for Directors who are Audit and Supervisory Committee Members be set to not more than 84 million yen per year taking into account their duties and responsibilities.

This proposal is to set the scope of remuneration for Directors who are Audit and Supervisory Committee Members to a reasonable extent taking into account factors such as their duties and the level of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members), and thus the content of this proposal is deemed necessary and appropriate.

If Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of 4 Directors Who Are Audit and Supervisory Committee Members” are approved as originally proposed, the Company will have 4 Directors who are Audit and Supervisory Committee Members.

This proposal will take effect when Proposal 1 “Partial Amendments to the Articles of Incorporation” comes into effect.

Proposal 6: Determination of the Basic Policy for Introduction (Renewal) of the Countermeasures against Large-scale Acquisition of Company Shares (Takeover Defense Measures)

The “basic policy for of the countermeasures against large-scale acquisition of Company shares (takeover defense measures)” (hereinafter, the basic policy is referred to as the “Current Basic Policy for Takeover Defense Measures”) approved at the 150th Annual General Meeting of Shareholders held on May 23, 2019, and the concrete measures based on the Current Basic Policy for Takeover Defense Measures, resolved to be introduced at the Company’s Board of Directors meeting held on the same day (hereinafter, the “Current Plan”), will both expire at the conclusion of this Annual General Meeting of Shareholders.

Prior to the expiration of the Current Basic Policy for Takeover Defense Measures and the Current Plan, the Company would like to revise the Current Basic Policy for Takeover Defense Measures and set out a new basic policy for takeover defense measures pursuant to Article 48 (renumbered upon the approval of Proposal 1) of the Company’s Articles of Incorporation (hereinafter, the revised Current Basic Policy for Takeover Defense Measures is referred to as the “Basic Policy for Takeover Defense Measures”). Accordingly, the Company would like to ask for the approval from shareholders.

The Basic Policy for Takeover Defense Measures has basically the same content as the Current Basic Policy for Takeover Defense Measures, except for necessary amendments made in line with the transition to a Company with an Audit and Supervisory Committee.

In addition, as with the Current Basic Policy for Takeover Defense Measures, the effective period of the Takeover Defense Measures is set to a three-year period starting from fiscal 2022 in line with the term of the Mid-term Business Plan.

Currently, the Company has not received any proposal regarding large-scale acquisition of the Company shares by a specific third party.

This proposal, however, will take effect when Proposals 1 through 3 come into effect.

1. Reason for the proposal

(1) Basic policy regarding persons who control the Company’s decisions on financial and business policies

The Company believes that persons who control the Company’s decisions on financial and business policies should demonstrate an adequate understanding of the Company’s sources of its corporate value, and should also have the ability to maintain and enhance the corporate value of the Company and common interests of its shareholders over the medium to long term.

If any party proposes a purchase involving acquisition or transfer of corporate control of the Company, the Company believes that the decision shall be ultimately made based on the intent of the shareholders as a whole. In addition, the Company will not categorically reject all cases involving a large-scale acquisition of the Company shares, provided that such case will benefit the corporate value and shareholders’ common interests. Nonetheless, some large-scale acquisition benefit neither corporate value of the target company nor shareholders’ common interests. Such purchases include those with a purpose that would obviously harm the corporate value of the target company and shareholders’ common interests, those that threaten to virtually coerce shareholders into selling their shares, those that fail to provide sufficient time or information for the target company’s board of directors and shareholders to consider the details of the large-scale acquisition or for the target company’s board of directors to make an alternative proposal, and those that fail to provide for the target company sufficient opportunity to negotiate with the acquirer.

The Company regards parties proposing such large-scale acquisition that benefit neither the corporate value of the Company nor shareholders’ common interests as inappropriate to be responsible for the Company’s financial and business policies. Therefore, the Company considers that it should have in place a rational framework to inhibit the large-scale acquisition that benefit neither the Company’s corporate value nor shareholders’ common interests. Such framework should (a) ensure necessary time and

information for the shareholders to judge whether or not a large-scale acquisition of Company shares would harm the Company's corporate value and shareholders' common interests, and whether or not to accept the large-scale acquisition of the Company shares, (b) ensure necessary time and information for the Company's Board of Directors to prepare alternative proposals, and (c) enable the Company's Board of Directors to negotiate with a party proposing a large-scale acquisition for the purpose of securing benefits of its shareholders and other stakeholders.

(2) Sources of the Company's corporate value and special initiatives to contribute to realizing the Basic Policy

(a) Sources of the Company's corporate value

(A) The Company's Philosophy

With "Creative Lifestyle Group" as the Philosophy, we at the Company have been determined to stay by our customers' side as we evolve into a group that embodies everything Ginza has to offer, centered around our department store business.

(B) Sources of the Company's corporate value

As mentioned above, under the Philosophy of "Creative Lifestyle Group," the Company has enhanced its corporate value through proposing top-grade, sophisticated lifestyles mainly to urban residents.

Ginza is one of the world's leading commercial districts where the latest fashion and cultures of the times have constantly gathered while retaining its unique culture combining traditions and innovations. The sources of the Company's corporate value lie in the accumulated knowhow for its unique store operation based on "Ginza quality," which was established through our presence in the town of Ginza over the past 90 years. What enhances the Company's corporate value is the customer satisfaction realized through such knowhow. This can be rephrased as a knowhow to maintain over the years the position of a representing department store amid the most contested commercial district in the country with frequent store turnover, and to provide a value for embodying the right status for Ginza—consumption value and cultural value—mainly to urban residents. Customer satisfaction realized through this knowhow is what enhances the Company's corporate value.

(i) Providing consumption value

To satisfy those who visit Ginza with high expectation, we at the Company, by maximizing the potential of our advantageous location, provide products and services that help upgrade and sophisticate the lifestyles of urban residents in tune with the times — or provide consumption value. This is the first mission of the Company.

(ii) Providing cultural value

Ginza has long been an information hub of Western culture and fashion where a number of theaters and art galleries have gathered. Thus, not only is Ginza the world-class urban commercial cluster, but it is a unique town fusing commercial and cultural functions. Values to the town visitors should be consumption value and cultural value that embody the Ginza quality. Therefore, passing on the cultural function that Ginza has offered, and continuing delivery of information on cultures and fashion—or providing cultural value—is the Company's second mission.

(b) Initiatives to improve the corporate value

Recently, the Ginza area has attracted even more stores of overseas luxurious brands, and amid such circumstances, number of hotels are opening in succession. Among others, openings of luxurious hotels with a high degree of grace, quality and internationality befitting the nature of Ginza are further refining the appeal of the area.

Amid such changes surrounding Ginza which serves as the base for the Company's source of value,

the Company, at the Board of Directors meeting held on April 14, 2022, formulated a new Mid-term Business Plan “Toward Sustainable Growth” (FY2022–2024)” (hereinafter, the “Business Plan”) (for details of the Business Plan, please see the press release concerning the Business Plan announced on April 14, 2022 at <http://www2.matsuya.com/ir/>).

In the Business Plan, we formulated, among other things, business strategies for the period covered by the Business Plan, in light of directions we intend to take in the medium to long term. Core business strategies to be implemented under the Business Plan are as follows.

(A) Enhance the profitability of the department store business

We will promote the strengthening of sales capability by, for example, enhancing our merchandise policies that are commensurate with the town of Ginza and enable the Company to demonstrate its strength, customer policies that seek to expand and further penetrate into our customer base, and above all, our out-of-store sales business. Meanwhile, we will drive the achievement of low-cost operations through the review of operations and store operating structure and other such measures.

(B) Review the business portfolio

While building a basic business portfolio consisting of businesses that are highly synergistic with our department store business, we will work to expand our real estate-related businesses in the medium to long term.

We will also strive to generate profits from restaurant and other Group businesses, for which we implemented a structural reform in the past fiscal years, amid a recovery from the COVID-19 pandemic.

In addition to the above, we will work to, among other things, enhance our corporate value and contribute to society by promoting the ESG management.

The Company, based on the sources of its corporate value described in (2) (a) above, endeavors to improve its corporate value and shareholders’ common interests by implementing the aforementioned initiatives.

(c) Strengthening corporate governance

The Company strives to strengthen its corporate governance to continually enhance its corporate value. As part of this effort, the Company, at the Board of Directors meeting held on April 14, 2022, has resolved to transition to a Company with an Audit and Supervisory Committee, subject to the approval of this Annual General Meeting of Shareholders. The purpose of the transition is to further improve the transparency of management and facilitate faster decision making. We will have Outside Directors hold a majority of the Board of Directors (at least one-third of the Board of Directors will be composed of Independent Outside Directors), thereby further strengthening the supervisory function of the management. Meanwhile, nomination and remuneration of Directors are deliberated by the Nomination and Remuneration Committee. The Committee will be chaired by an Independent Outside Director (previously chaired by the Representative Director, President and Executive Operating Officer), and the majority of its constituent members will be Independent Outside Directors, thereby securing objectivity and fairness.

Within the Company, we have set up the Compliance Committee, Risk Management Committee, Group Audit Office and other organs to strengthen internal control function and audit function. Also, the Company has introduced the Executive Officer System under which some of the authority for business execution are delegated to Operating Officers, while limiting the term of office of Directors to one year in order to clarify the management responsibilities and enhance the efficiency of management.

The Company continues to maximize its corporate value and shareholders’ common interests

through enhancing its corporate governance.

(3) Purpose of the Basic Policy for Takeover Defense Measures

The Basic Policy for Takeover Defense Measures will be revised with the purpose of maintaining and enhancing the corporate value of the Company and shareholders' common interests, pursuant to the Basic Policy described in (1) above.

The Company's Board of Directors, as provided in the Basic Policy, regards parties proposing large-scale acquisition that benefit neither the corporate value of the Company nor shareholders' common interests as inappropriate to be responsible for the Company's financial and business policies. For this reason, and with intent to prevent decisions on the Company's financial and business policies from being controlled by inappropriate parties, and to inhibit large-scale acquisition that benefit neither the Company's corporate value nor shareholders' common interests, the Company decided to revise the Basic Policy for Takeover Defense Measures as a rational framework in the case of any large-scale acquisition of the Company shares, in order to ensure necessary time and information for the shareholders to judge whether or not to accept such large-scale acquisition propositions, or for the Company's Board of Directors to propose alternative proposals to the shareholders or to negotiate with acquirers to maintain benefits of shareholders and other stakeholders.

The status of major shareholders of the Company as of February 28, 2022 are as provided on page 12 of the Business Report (available only in Japanese version).

2. Details of the Basic Policy for Takeover Defense Measures

(1) Outline of the Basic Policy for Takeover Defense Measures

The purpose of the Basic Policy for Takeover Defense Measures is to maintain and enhance the Company's corporate value and shareholders' common interests. The Company will resolve the introduction (renewal) of concrete measures (hereinafter, the "Plan") pursuant to the provisions in (2) and below at the Company's Board of Directors meeting after obtaining approval for the Basic Policy for Takeover Defense Measures, and then disseminate the details of the Plan by way of timely disclosure at a financial instruments exchange, disclosure on the Company's Business Report and other legal disclosure documents, and posting on the Company's website. Through this process, parties conducting a large-scale acquisition of the Company shares are warned that there are procedures to be respected, and that the Company may conduct a gratis allotment of stock acquisition rights with discriminative conditions for exercise. In this manner, the Policy also serves as a measure for large-scale acquisition of Company shares (peacetime takeover defense measure).

The effective period of the Basic Policy for Takeover Defense Measures shall be until the conclusion of the Annual General Meeting of Shareholders pertaining to the last fiscal year ending within three years after the conclusion of this Annual General Meeting of Shareholders (which is the final year of the Business Plan; scheduled to be held in May 2025).

(2) Details of the Plan

(a) Establishing procedures to activate the Plan

With the primary purpose of maintaining and enhancing the Company's corporate value and shareholders' common interests, when the acquisition, etc. of the Company shares (to be defined in (3) "Procedures to activate the Plan" (a) below; hereinafter the same) is to be effected, the Plan sets out procedures where it requires a person that attempts to conduct an acquisition, etc. (hereinafter, the "Acquirer") to submit information on the acquisition, etc. in advance so that the Company will provide business plans and alternative proposals by the Company's management team to shareholders upon ensuring a period to collect and examine information of the acquisition, etc., or negotiate with the Acquirer (For its details, see (3) "Procedures to activate the Plan" below).

(b) Gratis allotment of stock acquisition rights and use of the Special Committee and Shareholders' Intent Confirmation Meeting

In the case where the Acquirer attempts to conduct acquisition, etc. without complying with the procedures prescribed in the Plan or the acquisition by the Acquirer is deemed to harm the corporate value of the Company and shareholders' common interests (for its details, see (4) "Requirements for gratis allotment of the Stock Acquisition Rights" below), the Company will allot stock acquisition rights, which carry conditions that the Acquirer would not be allowed to exercise the rights and that the stock acquisition rights can be acquired by the Company in exchange for the Company shares from anybody other than the Acquirer, to all the shareholders except the Company itself as of that time (its details is described in (5) "Outline of gratis allotment of the Stock Acquisition Rights" below; hereinafter the "Stock Acquisition Rights") by way of a gratis allotment of stock acquisition rights (defined in Article 277 and onward of the Companies Act).

Upon deciding implementation, non-implementation or acquisition of a gratis allotment of the Stock Acquisition Rights, to eliminate arbitrary decisions by the Company's Board of Directors, as the first step, the Special Committee consisting solely of the Company's Independent Outside Directors, determines if the purchase would fall under the case that could impair the Company's corporate value and shareholders' common interests, pursuant to the Special Committee Regulations (for its outline, please see Attachment 1). If the Committee judges that the purchase falls under such case, the Committee recommends convening a Shareholders' Intent Confirmation Meeting (to be defined in (3) "Procedures to activate the Plan" (f) below, hereinafter the same) to confirm shareholders' intent. As the second step, upon receiving such recommendation, the Board of Directors convenes a Shareholders' Intent Confirmation Meeting and proposes the activation of a countermeasure as a meeting agenda to seek the Meeting's decision. However, if the Special Committee judges that the large-scale purchase obviously falls under any of ① a purchase noncompliant with the procedures set out in the Plan (Activation Case 1 in (4) below), ② a purchase categorized as a so-called four types of takeovers deemed inappropriate by the Tokyo High Court (Activation Case 2 (a) in (4) below), or ③ a coercive two-tier tender offer (Activation Case 2 (b) in (4) below), and recommends that the decision on activation of the countermeasure be made by Board of Directors, the countermeasure may be activated by resolution of the Board of Directors, without deliberation at the Shareholders' Intent Confirmation Meeting.

The Company ensures the transparent decision-making process through disclosing the state of the abovementioned processes in a timely manner to its shareholders.

For names and career summaries of the members of the Special Committee, please see Attachment 2.

(c) Exercise of Stock Acquisition Rights and acquisition of Stock Acquisition Rights by the Company

If a gratis allotment of the Stock Acquisition Rights is conducted in accordance with the Plan and the Stock Acquisition Rights are exercised by shareholders other than the Acquirer, or the Company shares are delivered to shareholders other than the Acquirer in exchange for the acquisition of the Stock Acquisition Rights by the Company, voting rights in the Company shares held by the Acquirer may be diluted to a maximum of 50% per implementation of the Plan.

(3) Procedures to activate the Plan

(a) Applicable acquisition

The Plan shall be applicable to acquisition that falls under either ① or ② below or a similar act or a proposal therefor¹ (hereinafter, collectively the "Acquisition").

¹ This includes bidding for purchases from third parties.

- ① Acquisition that would result in a holding ratio of share certificates, etc.² of a holder³ amounting to 20% or more of the share certificates, etc.⁴ issued by the Company
- ② A tender offer⁵ that would result in the offeror's owning ratio of share certificates, etc.,⁶ and the owning ratio of share certificates, etc., of a person in special relationship⁷ with the offeror totaling 20% or more of the share certificates, etc.⁸ issued by the Company

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

Unless otherwise approved by the Company's Board of Directors, prior to the execution of the Acquisition, the Acquirer attempting to conduct the Acquisition set forth in (a) above shall submit to the Company information necessary for examining the content of the Acquisition as set out in the following items (hereinafter, the "Required Information") and an agreement that the Acquirer will, upon conducting the Acquisition, comply with the procedures established by the Plan (hereinafter, collectively the "Acquisition Explanatory Document") in a form prescribed by the Company. The language used in the Required Information and Acquisition Explanatory Document must be Japanese only.

- ① Details (including a joint holder,⁹ a person in special relationship and (in the case of a fund) respective partners and other members) of the Acquirer and its group (including specific names, major shareholders, principle business, group organization chart, financial information (including securities reports of the recent three years or documents equivalent thereof, and consolidated financial statements), business performance, previous legal violations and details thereof, details of previous transactions similar to the Acquisition by the Acquirer)
- ② The purpose, method and details of the Acquisition (including the amount and type of the consideration of the Acquisition, time of the Acquisition, structure of related transactions, lawfulness of means of the Acquisition, information on the feasibility of the Acquisition)
- ③ Amount of the Acquisition and the basis for calculation thereof (including facts and assumptions of calculation, calculation method, numerical information used in the calculation, information on the amount of consideration in the case of acquisition with consideration other than cash, synergy expected as a result of the series of transactions related to the Acquisition and synergy to be shared with minority shareholders)
- ④ Source of funds for the Acquisition (including specific names of suppliers of the funds (including substantial suppliers), means and conditions of procurement, and details of related transactions)
- ⑤ The Groups' management policy, brand strategy, recovery policy for investment capital, management plan, business plan, financial policy, capital policy, dividend policy, target figures for management and financial statements for the three years after the acquisition of a controlling interest and basis for calculation thereof, as well as candidates for executives and career summaries thereof, which will be adopted after the Acquisition
- ⑥ A treatment policy for the Company's shareholders (excluding the Acquirer), employees,

² Defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act; hereinafter the same.

³ Includes a person stated as a holder under Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act.

⁴ Defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same unless otherwise specified.

⁵ Defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act; hereinafter the same.

⁶ Defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act; hereinafter the same.

⁷ This means a person in special relationship defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (Includes persons regarded as applicable by the Company's Board of Directors). Provided, however, that persons stipulated in Article 3, Paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers are excluded from the persons specified in Article 27-2, Paragraph 7, Item 1 of the said Act; hereinafter the same.

⁸ Defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act.

⁹ This means a joint holder defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, and includes persons regarded as joint holders by the Company's Board of Directors pursuant to Paragraph 6 of the same Article; hereinafter the same.

business partners, clients, and other stakeholders of the Company, which will be adopted after the Acquisition

⑦ Other information judged to be reasonably necessary by the Special Committee

Upon receiving the aforementioned Acquisition Explanatory Document, the Company's Board of Directors shall promptly provide it to the Special Committee. If the Special Committee judges that the information contained in the Acquisition Explanatory Document is insufficient as the Required Information, the Committee may, directly or through the Company's Board of Directors, request the Acquirer to submit additional Required Information upon setting a reasonable reply deadline. In this case, the Acquirer is requested to provide the additional Required Information by the reply deadline.

The Acquirer shall not conduct the Acquisition during the information provision period and the period from the day on which information provision is completed until a recommendation is made by the Special Committee, or in the case of convening a Shareholders' Intent Confirmation Meeting (described in (f) below), until a resolution is adopted at the Meeting whether or not to activate a countermeasure. This is, for the sake of maintaining the Group's corporate value and shareholders' common interests, to secure opportunity for the Company's Board of Directors to evaluate and examine the information, holding a negotiation and discussion with the Acquirer, form opinions on the Acquisition, prepare alternative proposals and propose them to the Company's shareholders, and to confirm the intent of shareholders at a General Meeting.

(c) Examination of the details of the Acquisition, negotiation with the Acquirer and provision of alternative proposals

① Requesting the Company's Board of Directors to provide information

Once the Acquirer has submitted the Acquisition Explanatory Document and the Required Information additionally requested by the Special Committee (if any), the Special Committee may request the Company's Board of Directors to provide an opinion on the Acquisition by the Acquirer (including opinions to reserve judgment; hereinafter the same), materials supporting such opinion, alternative proposals (if any), and any other sufficient information and materials deemed necessary at the Special Committee's discretion within a reasonable period predetermined by the Special Committee (within 60 days as a general rule). The request is based on the purpose of comparing the content of the Acquisition Explanatory Document and the Required Information with the management plan and the company evaluation prepared by the Company's Board of Directors, from the perspective of maintaining and enhancing the Company's corporate value and shareholders' common interests.

② Examination by the Special Committee

An examination period of 30 days (however, pursuant to the provision in (d) ③ below, the Special Committee may extend or re-extend such period by its resolution; hereinafter, the "Special Committee's Examination Period") is established from the day on which sufficient information and documents (including those requested additionally) requested by the Special Committee are provided by the Acquirer and the Company's Board of Directors (in the case that the Company's Board of Directors was requested to provide information and materials as shown in ① above).

During the Special Committee's Examination Period, the Special Committee examines the terms of the Acquisition by the Acquire and alternative proposals presented by the Company's Board of Directors, and collects, compares and examines the information on the business plans of the Acquirer and the Company's Board of Directors, based on the information and documents submitted by the Acquirer and the Company's Board of Directors, from the perspective of maintaining and enhancing the Company's corporate value and shareholders' common interests. Furthermore, the Special Committee may hold a discussion and negotiation with the Acquirer directly or indirectly through the Company's Board of Directors, if it is deemed necessary to

improve the terms of the Acquisition from the perspective of maintaining and enhancing the Company's corporate value and shareholders' common interests. Also, the Special Committee presents the alternative proposals of the Company's Board of Directors to shareholders.

If the Special Committee during the Special Committee's Examination Period makes a request directly or through the Company's Board of Directors for documents for examination and any other information, as well as discussions and negotiations, the Acquirer shall promptly respond. Additionally, the Acquirer shall not initiate the Acquisition until the expiration of the Special Committee's Examination Period.

To ensure that the decision made by the Special Committee benefits the Company's corporate value and shareholders' common interests, the Special Committee may receive advice from independent third parties (such as financial advisers, certified public accountants, attorneys-at-law, consultants and other experts) at the Company's expense.

③ Disclosure of information to shareholders

The Special Committee will promptly disclose directly or through the Company's Board of Directors the information on the fact of the submission of the Acquisition Explanatory Document and the outline thereof. Also, the Special Committee will disclose to shareholders the outline of the Required Information and other matters deemed appropriate by the Special Committee at the time deemed adequate by the Special Committee.

(d) Decision making method by the Special Committee

Based on the aforementioned procedures, the Special Committee shall make recommendations to the Company's Board of Directors as shown below. If the Special Committee makes recommendation or adopts a resolution as defined in any of ① to ③ below, or whenever deemed appropriate by the Special Committee, the Special Committee shall promptly disclose information on the fact of such recommendation or resolution along with the outline thereof, and any other matters deemed appropriate by the Special Committee (if the Special Committee resolves to extend or re-extend the Special Committee's Examination Period pursuant to ③ below, including such decision along with the outline of the reasons for such extension or re-extension).

① If the Special Committee makes a recommendation to activate the Plan

- (i) If the Special Committee judges that the Acquisition by the Acquirer falls under the Activation Case 1, or either of Activation Case 2 (a) or (b) in the activation cases defined in (4) "Requirements for gratis allotment of the Stock Acquisition Rights" below, and that implementation of a gratis allotment of the Stock Acquisition Rights should be suitable from the standpoint of necessity and adequacy, the Committee shall, regardless of whether the Special Committee's Examination Period has commenced or ended, make a recommendation to the Company's Board of Directors to implement a gratis allotment of the Stock Acquisition Rights.

If the Acquisition falls under the Activation Case 1, or either of Activation Case 2 (a) or (b), the Special Committee shall, from the standpoint of necessity and adequacy, make a recommendation to implement a gratis allotment of the Stock Acquisition Rights upon carefully examining the following points, among others.

- | |
|---|
| <ol style="list-style-type: none"> 1. Status of information provision by the Acquirer to shareholders and investors 2. Details of the consideration for the Acquisition 3. Feasibility of the Acquisition by the Acquirer 4. Coercive power of the Acquisition by the Acquirer to shareholders and investors 5. Status of presentation of information, documents and alternative proposals by the Company's Board of Directors |
|---|

- (ii) Additionally, if the Special Committee judges that the Acquisition could fall under either of the Activation Case 2 (c) or (d) in the activation cases defined in (4) "Requirements for gratis allotment of the Stock Acquisition Rights" below, the Committee shall make a recommendation to confirm the intent of shareholders prior to the implementation of a gratis allotment of the Stock Acquisition Rights. Also, even if the Committee judges that the Acquisition falls under either of the Activation Case 2 (a) or (b), the Committee may make a recommendation to confirm the intent of shareholders prior to the implementation of a gratis allotment of the Stock Acquisition Rights.
- (iii) However, even after a recommendation is made to implement a gratis allotment of the Stock Acquisition Rights, if the Special Committee determines that either of the following causes are applicable, the Committee may make a new recommendation to the effect that the Board of Directors cancel the gratis allotment of the Stock Acquisition Rights by two business days prior to the expiration of the rights for the gratis allotment of Stock Acquisition Rights or that the Stock Acquisition Rights be acquired at no cost no later than the day before the first day of the exercise period of the Stock Acquisition Rights, after the effective date of the gratis allotment of the Stock Acquisition Rights.
 - a. The Acquirer withdraws the Acquisition, or any other cases where the Acquisition no more exists, after the recommendation is made
 - b. There is a change in the facts or other matters on which the recommendation was made, and the Acquisition by the Acquirer consequently fails to fall under any of the requirements provided in (4) "Requirements for gratis allotment of the Stock Acquisition Rights" below, or it is judged that the implementation of a gratis allotment of Stock Acquisition Rights should not be suitable from the standpoint of necessity and adequacy

② If the Special Committee makes a recommendation not to activate the Plan

If the Special Committee judges that, as a result of examination of the terms of the Acquisition by the Acquirer, and discussions and negotiations with the Acquirer, the Acquisition by the Acquirer fails to fall under any of the requirements defined in (4) "Requirements for gratis allotment of the Stock Acquisition Rights" below, or if the Company's Board of Directors fails to provide opinions set forth in (c) ① above and the information and documents requested by the Special Committee within a predetermined period in spite of the Special Committee's request, the Committee shall make a recommendation to the Company's Board of Directors not to implement a gratis allotment of Stock Acquisition Rights, regardless of the termination of the Special Committee's Examination Period.

However, even after a recommendation is made not to implement a gratis allotment of the Stock Acquisition Rights, the Special Committee may make a separate decision including the implementation of a gratis allotment of Stock Acquisition Rights and recommends to that effect

to the Company's Board of Directors, if the following cases are true: it is judged that there is a change in the facts or other matters on which the recommendation was made; the Acquisition by the Acquirer falls under any of the requirements provided in (4) "Requirements for gratis allotment of the Stock Acquisition Rights" below; and it is judged that the implementation of a gratis allotment of Stock Acquisition Rights should be suitable from the standpoint of necessity and adequacy.

③ If the Special Committee extends or re-extends the Special Committee's Examination Period

If the Special Committee fails to reach a recommendation for implementation or non-implementation of a gratis allotment of the Stock Acquisition Rights or for convening of the Shareholders' Intent Confirmation Meeting by the end of the initial Special Committee's Examination Period, the Special Committee shall resolve to extend or re-extend the Special Committee's Examination Period to the extent necessary for examining the terms of the Acquisition by the Acquirer, holding discussions and negotiations with the Acquirer, or examining alternative proposals and other matters (provided, however, that the period of such extension or re-extension shall be at a maximum of 30 days, respectively, for a total of 60 days, as a general rule).

If the Special Committee's Examination Period is extended by the aforementioned resolution for extension, the Special Committee shall continue to collect and examine information, and make a maximum effort to recommend implementation or non-implementation of a gratis allotment of the Stock Acquisition Rights, and to provide alternative proposals during such extended period.

(e) Resolution of the Board of Directors

Upon receiving a recommendation of the Special Committee set forth in (d) ① (i) or ② above, the Company's Board of Directors shall pay the utmost respect to the recommendation and promptly make a resolution concerning implementation or non-implementation of the gratis allotment of the Stock Acquisition Rights (including cancellation of the gratis allotment of the Stock Acquisition Rights) as an organ prescribed in the Companies Act. In addition, in the case of convening a Shareholders' Intent Confirmation Meeting based on (f) below in response to a recommendation in (d) ① (ii) above, the Company's Board of Directors shall follow the resolution of such Shareholders' Intent Confirmation Meeting.

Promptly after adopting the aforementioned Board of Directors' resolution, the Company's Board of Directors shall disclose an outline of its resolution and any other matters deemed appropriate by the Company's Board of Directors.

(f) Convening the Shareholders' Intent Confirmation Meeting

Upon implementing a gratis allotment of the Stock Acquisition Rights based on the Plan, the Company's Board of Directors shall convene a shareholders' intent confirmation meeting (referred to as "Shareholders' Intent Confirmation Meeting" in this document) to confirm the intent of the shareholders regarding the implementation of the gratis allotment of the Stock Acquisition Rights, if (i) the Special Committee recommends to confirm shareholders' intent prior to the implementation of a gratis allotment of the Stock Acquisition Rights pursuant to (d) ① (ii) above, or if (ii) in the cases other than (i) (including the case where the Special Committee recommends implementation of a gratis allotment of the Stock Acquisition Rights), the Acquisition's applicability of the Activation Case 2 (a) or (b) becomes an issue and the Board of Directors determines it appropriate to confirm shareholders' intent taking into consideration the time required to convene a Shareholders' Intent Confirmation Meeting pursuant to the duty of care of Directors. The shareholders' intent at the Shareholders' Intent Confirmation Meeting shall be determined by approval from the majority of the

voting rights exercised of shareholders present at the Meeting, a quorum of which is the attended shareholders' voting rights representing at least one-third of the total number of shareholders' voting rights, including those exercised in writing and via the Internet.

If the Special Committee makes a recommendation not to implement a gratis allotment of the Stock Acquisition Rights pursuant to (d) ② above, the Company's Board of Directors will not convene a Shareholders' Intent Confirmation Meeting in principle.

After the commencement of examination by the Special Committee as provided in (c) ② above, the Company's Board of Directors shall set a record date (which shall be within 90 days from the date on which the examination commenced) to determine shareholders entitled to exercise their voting rights at a Shareholders' Intent Confirmation Meeting, and make a public notice at least two weeks prior to such record date.

(4) Requirements for gratis allotment of the Stock Acquisition Rights

The requirements for the implementation of a gratis allotment of the Stock Acquisition Rights according to the Plan are as follows. As stated in (3) "Procedures to activate the Plan" (d) above, the determination on whether an Acquisition falls under any of the following requirements must be by way of deliberation by the Special Committee.

Activation Case 1

In the case that the Acquisition fails to comply with the information provision set forth in (3) "Procedures to activate the Plan" (b) above, securing of the Special Committee's Examination Period set forth in (c) above and other procedures prescribed in the Plan (including the cases where the Acquisition is conducted without providing to the Company's shareholders the Required Information and other sufficient information deemed reasonably necessary for judging the terms of the Acquisition.)

Activation Case 2

In the case that the Acquisition falls under any of the following:

- (a) The Acquisition is likely to significantly harm the corporate value of the Company and shareholders' common interests due to the following or other similar actions
 - ① Buyout of the Company's shares to demand that the Company purchase said shares at an inflated price;
 - ② Management that benefits the Acquirer to the detriment of the Company, such as taking temporary control of the Company's management for the low-cost acquisition of material assets of the Group;
 - ③ Diversion of the Group's assets to secure or repay debts of the Acquirer or its group companies; and
 - ④ Taking temporary control of the Company's management to bring about a disposal of high-value assets that have no current relevance to the Group's businesses and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in the share price created by the temporarily high dividends
- (b) The Acquisition threatens to have the effect of compelling shareholders to sell their shares, such as a coercive two-tier tender offer (meaning acquisition of shares including a tender offer that does not offer to acquire all shares in the initial acquisition, and sets unfavorable acquisition terms for the second stage or does not set clear terms for the second stage)
- (c) The economic conditions of the Acquisition (including the value and type of consideration, the Acquisition timing, and payment method) are insufficient or inappropriate in light of intrinsic value of the Company
- (d) The content of the Acquisition by the Acquirer (including the legality of the Acquisition method, the feasibility of the Acquisition, policies regarding the treatment of stakeholders in the Company,

including employees, business partners and customers, in addition to the economic conditions of the Acquisition) detracts from the sources of the Company's corporate value that are indispensable for generating the corporate value as represented by "knowhow to provide consumption and cultural values" as explained in 1 (2) (a) and gives serious adverse effects to the corporate value and shareholders' common interests

(5) Outline of gratis allotment of the Stock Acquisition Rights

The outline of the gratis allotment of the Stock Acquisition Rights according to the Plan is as follows (For details of the Stock Acquisition Rights, see Attachment 3 "Outline of the Gratis Allotment of Stock Acquisition Rights").

(a) Number of the Stock Acquisition Rights

The number of Stock Acquisition Rights shall be equivalent to the final total number of issued Company shares as of the date of allotment (hereinafter, the "Allotment Date") (excluding the number of Company shares held by the Company at that time) separately determined by the Board of Directors in a resolution on the gratis allotment of the Stock Acquisition Rights (hereinafter, the "Gratis Allotment Resolution").

(b) Eligible shareholders

The Company will implement a gratis allotment of the Stock Acquisition Rights to those shareholders except the Company who are registered or recorded in the Company's final register of shareholders on the Allotment Date at a ratio of one (1) Stock Acquisition Right for every one (1) Company share held.

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

The effective date of the gratis allotment of the Stock Acquisition Rights shall be separately determined in the Gratis Allotment Resolution by the Board of Directors of the Company.

(d) Class and number of shares underlying the Stock Acquisition Rights

The class of shares underlying the Stock Acquisition Rights shall be a common share of the Company. The number of shares underlying one (1) Stock Acquisition Right (hereinafter, the "Applicable Number of Shares") shall be one (1) share in principle.

(e) Amount of property to be contributed upon exercise of the Stock Acquisition Rights

Property to be contributed upon exercise of the Stock Acquisition Rights shall be cash, and the amount to be contributed per one (1) Company share upon exercise of the Stock Acquisition Rights shall be an amount to be separately determined by the Board of Directors of the Company in the Gratis Allotment Resolution between ¥1 and any amount equivalent to 50% of the fair value of one (1) Company share.

(f) Exercise period of the Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights shall be a period to be separately determined by the Board of Directors of the Company in the Gratis Allotment Resolution between one (1) month and two (2) months, starting from the effective date of the gratis allotment of the Stock Acquisition Rights or the day separately determined by the Board of Directors of the Company in the Gratis Allotment Resolution. However, if the Stock Acquisition Rights are acquired by the Company pursuant to (i) ② below, the exercise period of the Stock Acquisition Rights subject to such acquisition shall be until the preceding business day of the acquisition date. Furthermore, if the final day of the exercise period falls on a holiday for the payment handling institution for the cash payable upon exercise, the following business day will be the final day.

(g) Exercise conditions of the Stock Acquisition Rights

(i) Specified large-scale holders,¹⁰ (ii) joint holders of the specified large-scale holders, (iii) specified large-scale purchasers,¹¹ (iv) persons in special relationship of the specified large-scale purchasers, (v) any persons or companies that have been transferred or have inherited the Stock Acquisition Rights from any persons or companies falling under (i) to (iv) above without the approval of the Company's Board of Directors, or (vi) any related parties of the persons or companies falling under (i) to (v) above¹² (hereinafter, any parties falling under (i) to (vi) above shall be collectively referred to as the "Specified Acquirers") cannot exercise the Stock Acquisition Rights as a general rule. Furthermore, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and regulations to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that, certain nonresidents of Japan subject to exemption provisions of such procedures under applicable foreign laws and regulations may exercise the Stock Acquisition Rights, and the Stock Acquisition Rights held by such nonresidents may be subject to acquisition by the Company in exchange for Company shares as set out in (i) below. For details, see Attachment 3 "Outline of the Gratis Allotment of Stock Acquisition Rights"). In addition, any person who does not submit a statement in a form prescribed by the Company containing representations and warranties regarding matters such as the fact that he/she is not a Specified Acquirer, indemnity clauses and other covenants, cannot exercise the Stock Acquisition Rights.

(h) Transfer of the Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights via transfer thereof shall require the approval of the Company's Board of Directors.

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

- ① The Company may acquire, upon arrival of the date separately determined by the Company's Board of Directors, all the Stock Acquisition Rights for no consideration at any time up to the date prior to the exercise period starting date in the case that the Company's Board of Directors deems that it is appropriate for the Company to acquire the Stock Acquisition Rights.
- ② As of the date separately determined by the Company's Board of Directors, the Company may acquire all the Stock Acquisition Rights held by persons or companies other than the Specified Acquirers that have not been exercised until the business day preceding the date determined by the Company's Board of Directors, and in exchange, may deliver Company shares in the number of the Applicable Number of Shares for every one (1) Stock Acquisition Right. In addition, if, on or after the date such acquisition takes place, the Company's Board of Directors deems that there are any persons or companies holding the Stock Acquisition Rights other than the Specified Acquirers, the Company may acquire all the unexercised Stock Acquisition Rights held by such persons or companies as of the date separately determined by the Company's Board of Directors,

¹⁰ "Specified large-scale holders" mean holders of share certificates, etc., issued by the Company and whose holding ratio of the said share certificates, etc., is deemed by the Company's Board of Directors to be 20% or more.

¹¹ "Specified large-scale purchasers" mean persons or companies that have provided a public notice of purchase, etc. (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply throughout (iii)), of share certificates, etc. (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply throughout (iii)), issued by the Company through a tender offer and whose holding ratio of share certificates, etc., in respect of such share certificates, etc., owned by such persons or companies after such purchase, etc. (including similar ownership as prescribed in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act), is deemed by the Company's Board of Directors to be 20% or more when combined with the holding ratio of share certificates, etc. of a person in special relationship of such persons or companies.

¹² "Related parties" of a person or a company mean any persons or companies that are deemed by the Company's Board of Directors to virtually control such person or company, or be controlled by such person or company, or be under common control of another entity with such person or company, or any person or company that is deemed by the Company's Board of Directors to act in concert with such person or company. "Control" in this context means "controlling the determination of financial and business policies" (defined in Article 3, Paragraph 3 of the Regulation for Enforcement of the Companies Act) of other corporations or entities.

which should be later than the date of the aforementioned acquisition, and up to the business day preceding the date determined by the Company's Board of Directors, and in exchange, may deliver Company shares in the number of the Applicable Number of Shares for every one (1) Stock Acquisition Right. The same shall apply subsequently.

For definitions and details of the terms used above, please see Attachment 3 "Outline of the Gratis Allotment of Stock Acquisition Rights."

(6) Effective period of the Plan (sunset clause)

As with the effective period of the Basic Policy for Takeover Defense Measures, the effective period of the Plan shall be until the conclusion of the Annual General Meeting of Shareholders (scheduled to be held in May 2025) pertaining to the last fiscal year ending within three years after the conclusion of this Annual General Meeting of Shareholders.

(7) Abolition and modification of the Plan

After introducing (renewing) the Plan, even before the expiration of the effective period, ① in the case that a resolution that the Basic Policy for Takeover Defense Measures be modified or abolished is adopted by the Company's General Meeting of Shareholders, the Basic Policy for Takeover Defense Measures shall be modified or abolished at that time pursuant to the resolution. In this case, the Plan shall be promptly modified to meet the modified Basic Policy for Takeover Defense Measures, or abolished. Also, ② in the case that a resolution that the Plan be abolished is adopted by the Company's Board of Directors consisting of Directors elected by the Company's General Meeting of Shareholders, the Plan shall be abolished at that time. In this way, the Plan can be abolished in line with the intent of the shareholders.

Moreover, even during the effective period of the Plan, subject to the approval of the Special Committee, the Company's Board of Directors may revise or modify as necessary the Plan to the extent it is not contradictory to the Basic Policy for Takeover Defense Measures, or to the extent deemed reasonably necessary for reasons of any amendment of or change in interpretation or operation of the Companies Act, the Financial Instruments and Exchange Act, other laws and regulations or rules of relevant financial instruments exchanges, change in the taxation system or amendment in court precedents.

If the Plan is abolished or modified, the Company will promptly disclose information on the fact that such abolition or modification has taken place, the details of the modification (in the event of modification) and any other matters deemed appropriate by the Company's Board of Directors or the Special Committee.

(8) Amendment due to changes in laws and regulations

The provisions of the laws and regulations cited in the Plan are based on those in effect as of April 14, 2022. In the case that any establishment, revision or abolition of the laws and regulations from this day forward necessitates amendment to the provisions and meanings of terms set forth in the above clauses, such provisions, meanings of terms, etc. set forth in the above clauses may be replaced as appropriate within a reasonable range upon consideration of the purpose of such establishment, revision or abolition.

(Reference)

The details of the Basic Policy for Takeover Defense Measures are as described in 2. above. The Company believes that the Basic Policy for Takeover Defense Measures has rational substance as shown below. The impacts of the Basic Policy for Takeover Defense Measures on shareholders are also provided below. The Company would like to ask for the approval from the shareholders upon taking into consideration these factors.

3. High rationality of the Basic Policy for Takeover Defense Measures and the Plan

The Basic Policy for Takeover Defense Measures and the Plan are designed to contribute to the Company's corporate value and shareholders' common interests and thus have rational substance as provided in (1) through (9) below.

(1) Fully satisfying the requirements of the guidelines for takeover defense measures

The Basic Policy for Takeover Defense Measures and the Plan fully satisfy the three principles set out in the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” (the principle of protecting and enhancing corporate value of the Company and shareholders’ common interests, principle of prior disclosure and shareholders’ will, and principle of ensuring the necessity and reasonableness) released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

More specifically, there is no intention to hinder every corporate acquisition without the consent of the Company’s Board of Directors. The sole and ultimate purpose is to ensure sufficient time and information for the shareholders to judge whether to transfer the shares to the Acquirer or retain them, and for the Company’s Board of Directors to provide business plans and alternative proposals by the management team of the Company to shareholders, and to negotiate with the Acquirer.

(2) Maintaining and enhancing shareholders’ common interests

The Basic Policy for Takeover Defense Measures and the Plan will be revised and introduced (renewed) for the purpose of maintaining and enhancing the Company’s corporate value and shareholders’ common interests through securing necessary time and information for shareholders to judge whether or not to accept the Acquisition or for the Company’s Board of Directors to prepare alternative proposals or to negotiate with the Acquirer on behalf of shareholders, in the case of the Acquisition of the Company shares.

(3) Valuing the intent of the Shareholders

The Basic Policy for Takeover Defense Measures will be determined by approval at this Annual General Meeting of Shareholders, as mentioned above. The Plan will be introduced (renewed) conditional upon the adoption of the resolution on the Basic Policy for Takeover Defense Measures at this Annual General Meeting of Shareholders.

Also, as described in 2. (3) “Procedures to activate the Plan” (f) above, upon implementing a gratis allotment of the Stock Acquisition Rights based on the Plan, intent of shareholders on the implementation of a gratis allotment of the Stock Acquisition Rights shall be confirmed at a Shareholders’ Intent Confirmation Meeting to be convened based on the recommendation of the Special Committee, except where the Special Committee recommends that a resolution be left to the Board of Directors on the grounds that the Acquisition obviously falls under any of the following: ① a purchase noncompliant with the procedures required by the Plan, ② a purchase classified as a so-called four types of takeovers deemed inappropriate by the Tokyo High Court, or ③ a coercive two-tier tender offer.

In addition, the Basic Policy for Takeover Defense Measures and the Plan are subject to a so-referred to as sunset clause setting the effective period to three (3) years, and the Basic Policy for Takeover Defense Measures can be modified or abolished by a resolution of a General Meeting of Shareholders even before the expiration of the effective period. If a resolution to modify or abolish the Basic Policy for Takeover Defense Measures is adopted, the Plan will also be modified to comply with the modified Basic Policy for Takeover Defense Measures or abolished immediately. In this regard, the decision of whether or not to maintain the Basic Policy for Takeover Defense Measures and the Plan, and details thereof depends on the intent of the General Meeting of Shareholders of the Company.

(4) Satisfying the principle of ensuring the necessity and reasonableness

(a) Principle of shareholder equality

When the Plan is activated, a gratis allotment of the Stock Acquisition Rights will be implemented. Although the Stock Acquisition Rights will carry exercise conditions that the Specified Acquirers would not be allowed to exercise their rights as a general rule, the Stock Acquisition Rights will be allotted to all the shareholders including the Specified Acquirers. In this regard, the Basic Policy for Takeover Defense Measures and the Plan satisfy the principle of shareholder equality.

(b) Protection of property right

The Stock Acquisition Rights to be allotted upon the activation of the Plan will carry exercise conditions. Therefore, the Specified Acquirers may incur a property loss as a result of dilution of the shares they own.

Nonetheless, although transfer of the Stock Acquisition Rights to be allotted without consideration will be restricted, this does not mean that the Specified Acquirers cannot in any way transfer the allotted Stock Acquisition Rights. In other words, the Specified Acquirers are allowed to recover the property loss incurred by transferring the allotted Stock Acquisition Rights to a third party with the approval of the Company.

(5) Emphasis on the decisions of highly independent outsiders and disclosure of information

In revising Basic Policy for Takeover Defense Measures and introducing (renewing) the Plan, the Company establishes the Special Committee to eliminate arbitrary decisions by the Company's Board of Directors and as a body that makes substantial decisions in relation to operations such as the activation of the Plan in an objective manner on behalf of the shareholders.

The Special Committee consists of at least three Outside Directors of the Company who are independent from the management team of the Company in charge of business execution (For names and career summaries of the members of the Special Committee at the time of introduction (renewal) of the Plan, please see Attachment 2).

When the Acquisition of the Company shares is conducted, as described in 2. (3) "Procedures to activate the Plan" above, the Special Committee shall make decisions, in accordance with the Special Committee Regulations, on such issues as whether the Acquisition would harm the Company's corporate value and shareholders' common interests, and whether to confirm the intent of shareholders at a Shareholders' Intent Confirmation Meeting. The Company's Board of Directors shall pay the utmost respect to those recommendations and as an organ prescribed in the Companies Act make a resolution including the convocation of Shareholders' Intent Confirmation Meeting.

In this way, the Special Committee strictly monitors the Company's Board of Directors for any arbitrary activation of the Plan, and outlines of the Special Committee's decisions are required to be disclosed to shareholders. In addition, the Company's Board of Directors is required to pay utmost respect to the decision of the Special Committee and intent of shareholders confirmed at the Shareholders' Intent Confirmation Meeting. This mechanism ensures a structure under which the Plan is operated in a transparent way so that it contributes to the corporate value of the Company and shareholders' common interests.

(6) Establishment of reasonable and objective requirements for the activation

As described in 2. (3) "Procedures to activate the Plan" (d) and 2. (4) "Requirements for gratis allotment of the Stock Acquisition Rights" above, the Plan has been designed so that it will not be activated unless it satisfies predetermined reasonable, detailed and objective requirements, which ensures a structure to eliminate arbitrary activation by the Company's Board of Directors.

(7) Receiving opinions by third party experts

As described in 2. (3) "Procedures to activate the Plan" (c) above, when the Acquirer emerges, the Special Committee may receive advice from independent third parties (such as financial advisers, certified public accountants, attorneys-at-law, consultants and other experts) at the Company's expense. The fairness and objectivity of the determination of the Special Committee will thus be further ensured.

(8) No dead-hand or slow-hand takeover defense measures

As described in 2. (7) "Abolition and modification of the Plan" above, the Plan has been designed so that it may be abolished by a Board of Directors comprising Directors elected at the Company's General Meeting of Shareholders. It may be abolished by a Board of Directors comprising Directors nominated by a person who acquired a large number of share certificates, etc. of the Company.

Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which the activation of the measure cannot be prevented even if a majority of the members of the Board of Directors are replaced).

In addition, the Plan is neither a slow-hand takeover defense measure (a takeover defense measure that takes time to prevent the activation of the measure due to the fact that the members of the Board of Directors cannot be replaced all at once) because the term of office of the Company's Directors is one (1) year and the Company does not adopt staggered terms of office.

(9) Others

(a) Not a rights plan with no contingency

No stock acquisition rights are issued at the time of introducing (renewing) the Plan. Therefore, the Plan is not a so-called "rights plan with no contingency," by which stock acquisition rights are allotted to shareholders at the time of introduction (renewal).

(b) Limiting destabilizing influence on the stock price formation in the secondary market

The Plan may be discontinued even after the decision of its activation. However, as explained in 2. (3) "Procedures to activate the Plan" (d) ① (iii) above, cases in which the Plan may be discontinued are explicitly provided. Therefore, the Company believes that the Plan limits destabilizing influence on the stock price formation in the secondary market.

4. Impacts on shareholders and investors

The following items (1) and (2) are the expected impacts on shareholders at the time of revision of the Basic Policy for Takeover Defense Measures, introduction (renewal) of the Plan, and a gratis allotment of the Stock Acquisition Rights.

(1) Impacts on shareholders at the time of revision of the Basic Policy for Takeover Defense Measures and introduction (renewal) of the Plan

No gratis allotment of the Stock Acquisition Rights would be implemented upon revising the Basic Policy for Takeover Defense Measures and upon introducing (renewing) the Plan. Therefore, the revision and introduction (renewal) would not have any direct and specific impact on the rights and interests of shareholders and investors.

(2) Impacts on shareholders at the time of gratis allotment of the Stock Acquisition Rights

(a) Procedure for a gratis allotment of the Stock Acquisition Rights

In the case that the Company's Board of Directors adopts the Gratis Allotment Resolution, the Company determines the Allotment Date in the said Resolution and provides a public notice thereof. In this case, the gratis allotment of the Stock Acquisition Rights will be conducted at the ratio of one (1) Stock Acquisition Right per one (1) Company share held by the shareholders who are registered or recorded in the final register of shareholders as of the Allotment Date (hereinafter, the "Eligible Shareholders"). As the Eligible Shareholders will become the Stock Acquisition Rights holders on the effective date of the allotment of the Stock Acquisition Rights as a matter of course, such shareholders are not required to follow an application procedure.

Even if the Gratis Allotment Resolution is once adopted, the Company may, by paying utmost respect to the recommendation of the Special Committee stated in (d) ① under 2. (3) "Procedures to activate the Plan" above or the intent of shareholders confirmed at the Shareholders' Intent Confirmation Meeting, cancel the gratis allotment of the Stock Acquisition Rights up to two business days before the expiration of the gratis allotment of the Stock Acquisition Rights, or acquire the Stock Acquisition Rights without consideration after the effective date of the gratis allotment of the Stock Acquisition Rights up to the day preceding the starting date of exercise period. In such cases, as no dilution of per share value will occur, it is possible that any investors who have sold or bought Company shares

expecting to see a dilution of per share value may suffer certain damage as a result of a fluctuation in the share price.

(b) Procedure for the exercise of the Stock Acquisition Rights

The Company will, as a general rule, mail an exercise request form for the Stock Acquisition Rights (in a form prescribed by the Company and containing necessary matters such as the terms and number of the Stock Acquisition Rights for exercise and the exercise date for the Stock Acquisition Rights, as well as representations and warranties regarding matters such as that the shareholders themselves are qualified for exercising the Stock Acquisition Rights, indemnity clauses and other covenants, along with information required to record the Company shares for transfer to an account of the Eligible Shareholders for the Company shares) and other documents necessary for the exercise of the Stock Acquisition Rights to the Eligible Shareholders. After the gratis allotment of the Stock Acquisition Rights, the shareholders will be issued one (1) Company share per one (1) Stock Acquisition Right, as a general rule, by submitting the aforementioned necessary documents during the exercise period of the Stock Acquisition Rights and paying to a payment handling institution an amount equivalent to the exercise price determined in the Gratis Allotment Resolution between ¥1 and any amount equivalent to 50% of the fair value of one (1) Company share.

If shareholders fail to exercise the Stock Acquisition Rights and pay an amount equivalent to the exercise price, the Company shares they hold will be diluted as a result of the exercise of the Stock Acquisition Rights by other shareholders.

However, pursuant to the provision in (c) below, the Company may acquire the Stock Acquisition Rights from shareholders other than the Specified Acquirers and in exchange deliver the Company shares. If the Company follows this acquisition procedure, shareholders other than the Specified Acquirers will receive the Company shares without exercising the Stock Acquisition Rights or paying an amount equivalent to the exercise price, and the Company shares they hold will not be diluted.

The Specified Acquirers will not be allowed to exercise the allotted Stock Acquisition Rights. Therefore, shares may be diluted in proportion to the allotment ratio and damage may be incurred.

(c) Procedure for the acquisition of the Stock Acquisition Rights by the Company

In the case that the Company's Board of Directors determines to acquire the Stock Acquisition Rights, the Company may acquire the Stock Acquisition Rights from the shareholders other than the Specified Acquirers in accordance with the statutory procedures on the day separately determined by the Company's Board of Directors and, in exchange, deliver Company shares to the shareholders concerned. In that case, as a general rule, those shareholders will receive one (1) Company share for every one (1) Stock Acquisition Right they hold as consideration for the acquisition of those Stock Acquisition Rights by the Company, without paying an amount equivalent to the exercise price. In such case, the shareholders concerned may be separately requested to submit a written document including representations and warranties regarding matters such as the fact that they are Specified Acquirers, indemnity clauses and other covenants, in a form prescribed by the Company.

If the Gratis Allotment Resolution provides for matters relating to the acquisition of the Stock Acquisition Rights including the acquisition thereof from the Specified Acquirers, the Company may take measures in accordance with such provisions.

Outline of the Special Committee Regulations

- The Special Committee shall be established by a resolution of the Company's Board of Directors.
- The members of the Special Committee shall be elected and appointed by the Company's Board of Directors from among Outside Directors of the Company who are independent from the management team of the Company in charge of business execution. The number of members of the Special Committee shall be at least three (3) and the Board of Directors may, upon obtaining consent of Outside Directors, add an external expert to the members of the Special Committee. However, the external expert shall be an experienced corporate manager, a former employee of government agencies, a person with profound knowledge of the investment banking business, an attorney-at-law, a certified public accountant, an academic expert or a person of similar qualifications, who has executed with the Company an agreement separately specified by the Company's Board of Directors that includes a provision on the duty of care of such external expert against the Company. Additionally, the number of external experts shall not account for more than half of the Special Committee members.
- Unless otherwise determined by a resolution of the Company's Board of Directors, the term of office of members of the Special Committee shall be until the conclusion of the Annual General Meeting of Shareholders pertaining to the business year ending on February 28, 2025. In the case that a member of the Special Committee who served as an Outside Director of the Company withdraws from the position of Director, the term of office as a member of the Special Committee shall expire at the same time.
- The Special Committee shall decide on the matters stated in each item below and recommend the decision to the Company's Board of Directors, along with its reasons (However, if otherwise resolved at the Shareholders' Intent Confirmation Meeting with respect to the implementation or non-implementation of a gratis allotment of the Stock Acquisition Rights provided in ①, such resolution shall be followed). The Board of Directors shall pay the utmost respect to the Special Committee's recommendation and make a resolution as an organ prescribed in the Companies Act on the implementation or non-implementation of a gratis allotment of the Stock Acquisition Rights. Each member of the Special Committee and each Director of the Company shall make these decisions with a view to whether such decisions serve the interests of the Company, not for the purpose of the personal interests of themselves or the Company's management team.
 - ① Implementation or non-implementation of the gratis allotment of the Stock Acquisition Rights;
 - ② Cancellation of the gratis allotment of the Stock Acquisition Rights or acquisition of the Stock acquisition Rights without consideration
 - ③ Convening the Shareholders' Intent Confirmation Meeting
 - ④ Abolishment or modification of the Plan (However, modifications are limited to the extent not contradictory to the Basic Policy for Takeover Defense Measures, or to the extent deemed reasonably necessary for reasons of any amendment of or change in interpretation or operation of the Companies Act, the Financial Instruments and Exchange Act, other laws and regulations or rules of relevant financial instruments exchanges, change in the taxation system or amendment in court precedents); and

- ⑤ Other matters on which the Company's Board of Directors consulted the Special Committee from among those to be determined by the Company's Board of Directors
- In addition to the matters prescribed above, the Special Committee shall conduct the matters stated in each of the following.
 - ① Determining whether the Acquisition is subject to the Plan;
 - ② Determining the information to be provided to the Special Committee by the Acquirer and the Company's Board of Directors and its deadline;
 - ③ Examining and assessing the terms of the Acquisition by the Acquirer;
 - ④ Holding negotiations and discussions with the Acquirer;
 - ⑤ Requesting the Company's Board of Directors to submit alternative proposals; discussing and presenting alternative proposals submitted by the Company's Board of Directors
 - ⑥ Extending and re-extending the Special Committee's Examination Period;
 - ⑦ Other matters prescribed under the Plan that the Special Committee can perform; and
 - ⑧ Matters otherwise prescribed by the Company's Board of Directors that the Special Committee can perform
- The Special Committee shall request that the Acquirer submit additional Required Information, whenever it judges that the information contained in the Acquisition Explanatory Document is insufficient as the Required Information. Once the Acquirer has submitted the Acquisition Explanatory Document and the Required Information additionally requested by the Special Committee, the Special Committee may request the Company's Board of Directors to provide an opinion on the Acquisition by the Acquirer, materials supporting such opinion, alternative proposals (if any), and any other sufficient information and materials deemed necessary at the Special Committee's discretion within a predetermined reasonable period (within 60 days as a general rule).
- The Special Committee shall, when necessary, hold a discussion and negotiation with the Acquirer directly or indirectly through the Company's Board of Directors to improve the terms of the Acquisition by the Acquirer from the perspective of maintaining and enhancing the corporate value of the Company and shareholders' common interests, or present the alternative plans of the Company's Board of Directors to shareholders.
- To collect the necessary information, the Special Committee may request the attendance of the Company's Directors, Operating Officers, employees or any other persons the Special Committee regards necessary at the Committee and ask them for explanations on matters inquired by the Special Committee.
- The Special Committee may receive advice from independent third parties (such as financial advisers, certified public accountants, attorneys-at-law, consultants and other experts) at the Company's expense.
- Each member of the Special Committee may convene a meeting of the Special Committee when an Acquisition is conducted or at any other time.
- A resolution of the Special Committee shall be adopted by a majority vote at a meeting with full attendance (including attendance via teleconference or conference call; hereinafter the same), as a general rule. However, if there are unavoidable reasons, such as the occurrence of accidents to a member,

it can be adopted by a majority vote at a meeting where a majority of the Special Committee members are present.

Career Summary of Members of the Special Committee

○ Hitoshi Kashiwaki

[Career summary]

Year of birth: 1957

April 1981 Joined Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.)
 April 1994 General Manager, Finance Division
 June 1997 Board Director
 June 2001 Board Director and Managing Corporate Executive Officer
 April 2003 Representative Director and Managing Corporate Executive Officer (COO)
 June 2003 President, Representative Director and COO
 April 2004 President, Representative Director and CEO
 April 2012 Board Director and Advisor
 May 2016 Outside Director (current position), member of the Special Committee (current position),
 Matsuya Co., Ltd.

(Significant concurrent positions)

Outside Director, ASICS Corporation

Outside Director, TBS HOLDINGS, INC.

Outside Director, Kewpie Corporation

○ Masako Yoshida

[Career summary]

Year of birth: 1961

April 1980 Joined Tokio Marine and Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire
 Insurance Co., Ltd.)
 July 2009 Deputy Manager, Keiyo Branch; General Manager, Funabashi Branch
 August 2011 General Manager, Travel Business Department
 July 2012 Executive Director; General Manager, Travel Business Department
 June 2013 Executive Officer; General Manager, Travel Business Department
 April 2015 Executive Officer; General Manager, Chiba Branch
 May 2017 Outside Director (current position), member of the Special Committee (current position),
 Matsuya Co., Ltd.
 April 2018 Managing Executive Officer in charge of Shikoku Area, Tokio Marine & Nichido Fire
 Insurance Co., Ltd.
 April 2021 Managing Executive Officer
 April 2022 Managing Director (current position)

(Significant concurrent positions)

Managing Director, Tokio Marine & Nichido Fire Insurance Co., Ltd.

* Mr. Hitoshi Kashiwaki and Ms. Masako Yoshida are Outside Directors who satisfy the criteria for the Company's Outside Directors stipulated in Article 2, Item 15 of the Companies Act. They will be

appointed to Outside Directors who are not Audit and Supervisory Committee Members if Proposal 2 is approved at this Annual General Meeting of Shareholders. The Company has registered both of them as independent directors with the Tokyo Stock Exchange and plans to continue to do so after this Annual General Meeting of Shareholders.

There are no special interests between the Company and either of the candidates.

○Youhei Furuhashi

[Career summary]

Year of birth: 1949

April 1974 Joined Nippon Signal Co., Ltd.

April 1997 General Manager, Automatic Fare Collection Sales Department of Sales and Marketing Head Office

June 2000 Executive Officer; General Manager, Automatic Fare Collection Business Department

June 2003 Executive Officer; General Manager, Automatic Fare Collection Business Department; General Manager, Visionary Business Center

June 2004 Director; Managing Executive Officer; Responsible for Visionary Business Center and Automatic Fare Collection Business

June 2006 Director; Deputy Chief Executive Officer; Responsible for Corporate Strategy, Business Audit, and Visionary Business Center; General Manager, Visionary Business Center

June 2008 Representative Director and President; Chief Operating Officer

June 2012 Representative Director and President; Chief Executive Officer; Chief Operating Officer

April 2015 Representative Director and President; Chief Executive Officer

June 2016 Chairman; Chief Executive Officer

May 2017 Outside Auditor, Matsuya Co., Ltd. (current position)

May 2019 Member of the Special Committee (current position)

June 2020 Director and Chairman, Nippon Signal Co., Ltd. (current position)

(Significant concurrent positions)

Director and Chairman, Nippon Signal Co., Ltd.

○Takao Nakamura

[Career summary]

Year of birth: 1965

April 1989 Joined Bank of Japan

February 1996 Board Director; CFO, Digital Garage, Inc.

May 1997 Vice President & Representative Director; COO & CFO

June 1999 President & Representative Director, Infoseek, Inc.

January 2009 Joined Torikai Law Office

January 2016 Partner lawyer, Wadakura Gate Law Office (current position)

May 2019 Outside Auditor (current position), member of the Special Committee (current position), Matsuya Co., Ltd.

(Significant concurrent positions)

Partner lawyer, Wadakura Gate Law Office

Outside Director (Audit and Supervisory Committee Member), ValueCommerce Co., Ltd.

Outside Director, Medical Data Vision Co., Ltd.

- * Mr. Youhei Furuhata and Mr. Takao Nakamura are Outside Auditors who satisfy the criteria for the Company's Outside Auditors stipulated in Article 2, Item 16 of the Companies Act. They will be appointed to Outside Directors who are Audit and Supervisory Committee Members if Proposal 3 is approved at this Annual General Meeting of Shareholders. The Company has registered both of them as independent directors with the Tokyo Stock Exchange and plans to continue to do so after this Annual General Meeting of Shareholders.
There are no special interests between the Company and either of the candidates.

Outline of the Gratis Allotment of Stock Acquisition Rights

I. Determination of matters regarding gratis allotment of stock acquisition rights

(1) Details and number of stock acquisition rights

Details of the stock acquisition rights to be allotted to the shareholders (hereinafter, individually or collectively, “Stock Acquisition Rights”) shall be in accordance with the provision in II. below, and the number of the Stock Acquisition Rights shall be equivalent to the final total number of issued Company shares as of the date of allotment (hereinafter, the “Allotment Date”) (excluding the number of Company shares held by the Company at that time) separately determined by the Board of Directors in a resolution on the gratis allotment of the Stock Acquisition Rights (hereinafter, the “Gratis Allotment Resolution”).

(2) Eligible Shareholders

The Company shall implement a gratis allotment of the Stock Acquisition Rights to shareholders except the Company who are registered or recorded in the Company’s final register of shareholders on the Allotment Date at a ratio of one (1) Stock Acquisition Right for every one (1) Company share held.

(3) Effective date of the gratis allotment of the Stock Acquisition Rights

The effective date of the gratis allotment of the Stock Acquisition Rights shall be separately determined in the Gratis Allotment Resolution by the Board of Directors of the Company.

II. Details of the Stock Acquisition Rights

(1) Class and number of shares underlying the Stock Acquisition Rights

- 1) The class of shares underlying the Stock Acquisition Rights shall be a common share of the Company. The number of shares underlying one (1) Stock Acquisition Right (hereinafter, the “Applicable Number of Shares”) shall be one (1) share in principle. Provided, however, that the Applicable Number of Shares shall be adjusted using the following formula if the Company carries out a stock split or a stock consolidation. Any fractional shares of less than one share to be produced as a result of the adjustment shall be rounded down and no adjustment in cash shall be made.

Applicable Number of Shares after adjustment = Applicable Number of Shares before adjustment x ratio of stock split or stock consolidation

- 2) Applicable Number of Shares after adjustment shall become applicable, in the case of share split, on and after the day following the record date of such share split, and in the case of share consolidation, on and after the day following the effective date of such share consolidation.
- 3) In addition to what is provided in 1) above, if any acts that cause or may cause a change in the number of issued shares of the Company (however, excluding the number of shares held by the Company), such as a gratis allotment of shares, a merger, and a company split, are conducted and an adjustment of the Applicable Number of Shares is required, the Applicable Number of Shares shall be reasonably adjusted upon consideration of the conditions of such gratis allotment of shares, merger, company split and other acts.

(2) Amount of property to be contributed upon exercise of the Stock Acquisition Rights

- 1) Property to be contributed upon exercise of the Stock Acquisition Rights shall be cash, and its amount shall be an amount obtained by multiplying the Exercise Price (to be defined in 2) below) by the Applicable Number of Shares.

- 2) The amount to be contributed per one (1) Company share upon exercise of the Stock Acquisition Rights (hereinafter, the “Exercise Price”) shall be an amount to be separately determined by the Board of Directors of the Company in the Gratis Allotment Resolution between ¥1 and any amount equivalent to 50% of the fair value of one (1) Company share. The “fair value” means an average of the closing price (including quotations) of the Company’s common shares in ordinary transactions at the Tokyo Stock Exchange for the 90-day period preceding the date of the Gratis Allotment Resolution (excluding days when no closing price is quoted). Figures less than ¥1 shall be rounded up.
- (3) Exercise period of the Stock Acquisition Rights
- The exercise period of the Stock Acquisition Rights shall be a period to be separately determined by the Board of Directors of the Company in the Gratis Allotment Resolution between one (1) month and two (2) months, starting from the effective date of the gratis allotment of the Stock Acquisition Rights or the day separately determined by the Board of Directors of the Company in the Gratis Allotment Resolution. However, if the Stock Acquisition Rights are acquired by the Company pursuant to Paragraph (7), 2) below, the exercise period of the Stock Acquisition Rights subject to such acquisition shall be until the preceding business day of the acquisition date. Furthermore, if the final day of the exercise period falls on a holiday for the payment handling institution for the cash payable upon exercise, the following business day will be the final day.
- (4) Exercise conditions of the Stock Acquisition Rights
- 1) (i) Specified large-scale holders, (ii) joint holders of the specified large-scale holders, (iii) specified large-scale purchasers, (iv) persons in special relationship of the specified large-scale purchasers, (v) any persons or companies that have been transferred or have inherited the Stock Acquisition Rights from any persons or companies falling under (i) to (iv) above without the approval of the Company’s Board of Directors, or (vi) any related parties of the persons or companies falling under (i) to (v) above (hereinafter, any parties falling under (i) to (vi) above shall be collectively referred to as the “Specified Acquirers”) cannot exercise the Stock Acquisition Rights.
- Terms used above shall be determined as follows.
- ① “Specified large-scale holders” mean holders (including those included in holders pursuant to Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act) of share certificates, etc. (defined in Article 27-23, Paragraph 1 of the same Act; hereinafter the same unless otherwise specified) issued by the Company and whose holding ratio (defined in Article 27-23, Paragraph 4 of the same Act) of the said share certificates, etc., is deemed by the Company’s Board of Directors to be 20% or more.
 - ② “Joint holders” mean joint holders as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including those deemed by the Company’s Board of Directors to be joint holders pursuant to Paragraph 6 of the same Article.
 - ③ “Specified large-scale purchasers” mean persons or companies that have provided a public notice of purchase, etc. (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply throughout ③), of share certificates, etc. (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply throughout ③), issued by the Company through a tender offer (defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act) and whose holding ratio of share certificates, etc., in respect of such share certificates, etc., (defined in Article 27-2, Paragraph 8 of the same Act; hereinafter the same) owned by such persons or companies after such purchase, etc. (including similar ownership as prescribed in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act), is deemed by the Company’s Board of Directors to be 20% or more when combined with the holding ratio of share certificates, etc. of a person in special relationship of such persons or companies.

- ④ “Persons in special relationship” mean persons in special relationship as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including those deemed as such by the Company’s Board of Directors). However, those specified in Item 1 of the same Paragraph exclude those defined in Article 3, Paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers.
 - ⑤ “Related parties” of a person or a company mean any persons or companies that are deemed by the Company’s Board of Directors to virtually control such person or company, or be controlled by such person or company, or be under common control of another entity with such person or company, or any person or company that is deemed by the Company’s Board of Directors to act in concert with such person or company. “Control” in this context means “controlling the determination of financial and business policies” (defined in Article 3, Paragraph 3 of the Regulation for Enforcement of the Companies Act) of other corporations or entities.
- 2) Notwithstanding 1) above, persons or companies as specified in the following ① through ④ do not fall under specified large-scale holders or specified large-scale purchasers.
- ① The Company, a subsidiary of the Company (defined in Article 8, Paragraph 3 of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements) or an affiliate of the Company (defined in Article 8, Paragraph 5 of the same Regulation)
 - ② In the case of persons or companies that were deemed by the Company’s Board of Directors to have no intention to control the Company and fall under 1) (i) above, those who have ceased to fall under the specified large-scale holder in 1) (i) above through disposing of the Company’s share certificates, etc. they own within 10 days (however, the Company’s Board of Directors may extend such period) after becoming specified large-scale holders set forth in 1) (i) above
 - ③ Persons or companies recognized by the Company’s Board of Directors to fall under the large-scale holder in 1) (i) above without their own will, due to the Company’s acquisition of its own shares or other reasons (However, this excludes intentional new acquisitions of the Company’s share certificates, etc. thereafter.)
 - ④ Persons or companies deemed by the Company’s Board of Directors to cause no conflict with the corporate value of the Company and shareholders’ common interests after having or holding share certificates, etc., of the Company (The Company’s Board of Directors may recognize that those recognized as the Specified Acquirers cause no conflict with the corporate value and shareholders’ common interests. Furthermore, if deemed by the Company’s Board of Directors to cause no conflict with the corporate value and shareholders’ common interests under certain conditions, this shall apply only when such conditions are fulfilled.)
- 3) In allowing persons or companies located in a foreign jurisdiction to exercise the Stock Acquisition Rights, in the event that those in the foreign jurisdiction are required under applicable foreign laws and regulations to (i) perform prescribed procedures, (ii) satisfy prescribed conditions (including prohibition of exercise for a certain period, submission of predetermined documents, etc.), or (iii) perform both of the aforementioned (hereinafter, collectively the “Procedures and Conditions for Exercise under Jurisdiction”), such persons or companies located in the foreign jurisdiction may exercise the Stock Acquisition Rights only when it is recognized by the Company’s Board of Directors that the Procedures and Conditions for Exercise under Jurisdiction have been fully performed or fulfilled. If the Procedures and Conditions for Exercise under Jurisdiction are not recognized by the Company’s Board of Directors to have been fulfilled, the Stock Acquisition Rights cannot be exercised. Additionally, in allowing persons or companies located in the foreign jurisdiction to exercise the Stock Acquisition Rights, the Company’s Board of Directors shall not be held liable for performing or fulfilling the Procedures and Conditions for Exercise under Jurisdiction required to perform or fulfill by the Company. Further, persons or companies located in the foreign jurisdiction cannot exercise the Stock Acquisition Rights if

laws and regulations in the foreign jurisdiction prohibit such persons or companies located in the foreign jurisdiction from exercising the Stock Acquisition Rights.

- 4) Notwithstanding 3) above, persons or companies located in the U.S. may exercise the Stock Acquisition Rights only when such persons or companies (i) represent and warrant the fact that the persons or companies are accredited investors defined in the rule of 501 (a) of the U.S. Securities Act of 1933, and (ii) pledge that they will resell the Company's common shares to be acquired as a result of exercise of their Stock Acquisition Rights, in regular transaction at the Tokyo Stock Exchange (however, this shall not be based on prior arrangements and no prior invitation shall be made). Only in such cases, the Company shall perform or fulfill the Regulation D of the U.S. Securities Act of 1933 and other Procedures and Conditions for Exercise under Jurisdiction related to state laws in the U.S., which are required to be performed or fulfilled by the Company for enabling such persons or companies located in the U.S. to exercise the Stock Acquisition Rights. If persons or companies located in the U.S. are regarded by the Company's Board of Directors as not qualified under the U.S. Securities Act to legally exercise the Stock Acquisition Rights even after fulfilling (i) and (ii) above, due to changes in laws and regulations in the U.S. or other reasons, those located in the U.S. cannot exercise the Stock Acquisition Rights.
 - 5) Persons or companies holding the Stock Acquisition Rights may exercise the Stock Acquisition Rights only when they submit to the Company a written oath containing representations and warranties regarding matters such as the fact that he/she is not a Specified Acquirer, and that the exercise is not to be made on behalf of the Specified Acquirer, along with the fact that exercise conditions of the Stock Acquisition Rights are fulfilled, as well as indemnity clauses and any other matters designated by the Company, in addition to other documents required by laws and regulations.
 - 6) Even when persons or companies holding the Stock Acquisition Rights cannot exercise the Stock Acquisition Rights due to the provision in (4) above, the Company shall not be held liable in any way for damage to the persons or companies holding the Stock Acquisition Rights.
- (5) Share capital and legal capital surplus to be increased upon issuance of shares as a result of exercise of Stock Acquisition Rights

The amount of share capital and legal capital surplus to be increased upon issuance of the Company shares as a result of exercise of Stock Acquisition Rights shall be the amount separately determined by the Company's Board of Directors in the Gratis Allotment Resolution.

- (6) Transfer restriction of the Stock Acquisition Rights
- 1) Acquisition of the Stock Acquisition Rights via transfer shall require the approval of the Company's Board of Directors.
 - 2) If a person or company transferring the Stock Acquisition Rights is located in Japan and is not qualified for exercising the Stock Acquisition Rights (excluding the Specified Acquirers) due to the provisions in (4) 3) and 4) above, the Company's Board of Directors shall decide whether or not to approve the transfer pursuant to 1) above, in consideration to the following factors.
 - ① With regard to acquisition of all or a part of the Stock Acquisition Rights by a person or company located in the jurisdiction via transfer, whether a statement has been submitted (that includes representations and warranties in ② through ④ below, indemnity clauses and penalty clauses) prepared by the transferor and transferee with their signatures or names and seals
 - ② Whether it is evident that the transferor and transferee are not Specified Acquirers
 - ③ Whether it is evident that the transferee is not a person or company located in the jurisdiction and that the transferee does not receive the Stock Acquisition Rights on behalf of those located in the jurisdiction
 - ④ Whether it is evident that the transferee does not receive the Stock Acquisition Rights on behalf of Specified Acquirers

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

- 1) The Company may acquire, upon arrival of the date separately determined by the Company's Board of Directors, all the Stock Acquisition Rights for no consideration at any time up to the date prior to the exercise period starting date in the case that the Company's Board of Directors deems that it is appropriate for the Company to acquire the Stock Acquisition Rights.
- 2) As of the date separately determined by the Company's Board of Directors, the Company may acquire all the Stock Acquisition Rights held by persons or companies other than the Specified Acquirers that have not been exercised until the business day preceding the date determined by the Company's Board of Directors, and in exchange, may deliver Company shares in the number of the Applicable Number of Shares for every one (1) Stock Acquisition Right. In addition, if, on or after the date such acquisition takes place, the Company's Board of Directors deems that there are any persons or companies holding the Stock Acquisition Rights other than the Specified Acquirers, the Company may acquire all the unexercised Stock Acquisition Rights held by such persons or companies as of the date separately determined by the Company's Board of Directors, which should be later than the date of the aforementioned acquisition, and up to the business day preceding the date determined by the Company's Board of Directors, and in exchange, may deliver Company shares in the number of the Applicable Number of Shares for every one (1) Stock Acquisition Right. The same shall apply subsequently.

(8) Delivery of the Stock Acquisition Rights and conditions thereof in the case of merger (limited to the case where the Company is dissolved due to the merger), absorption-type company split, incorporation-type company split, share exchange, and share transfer

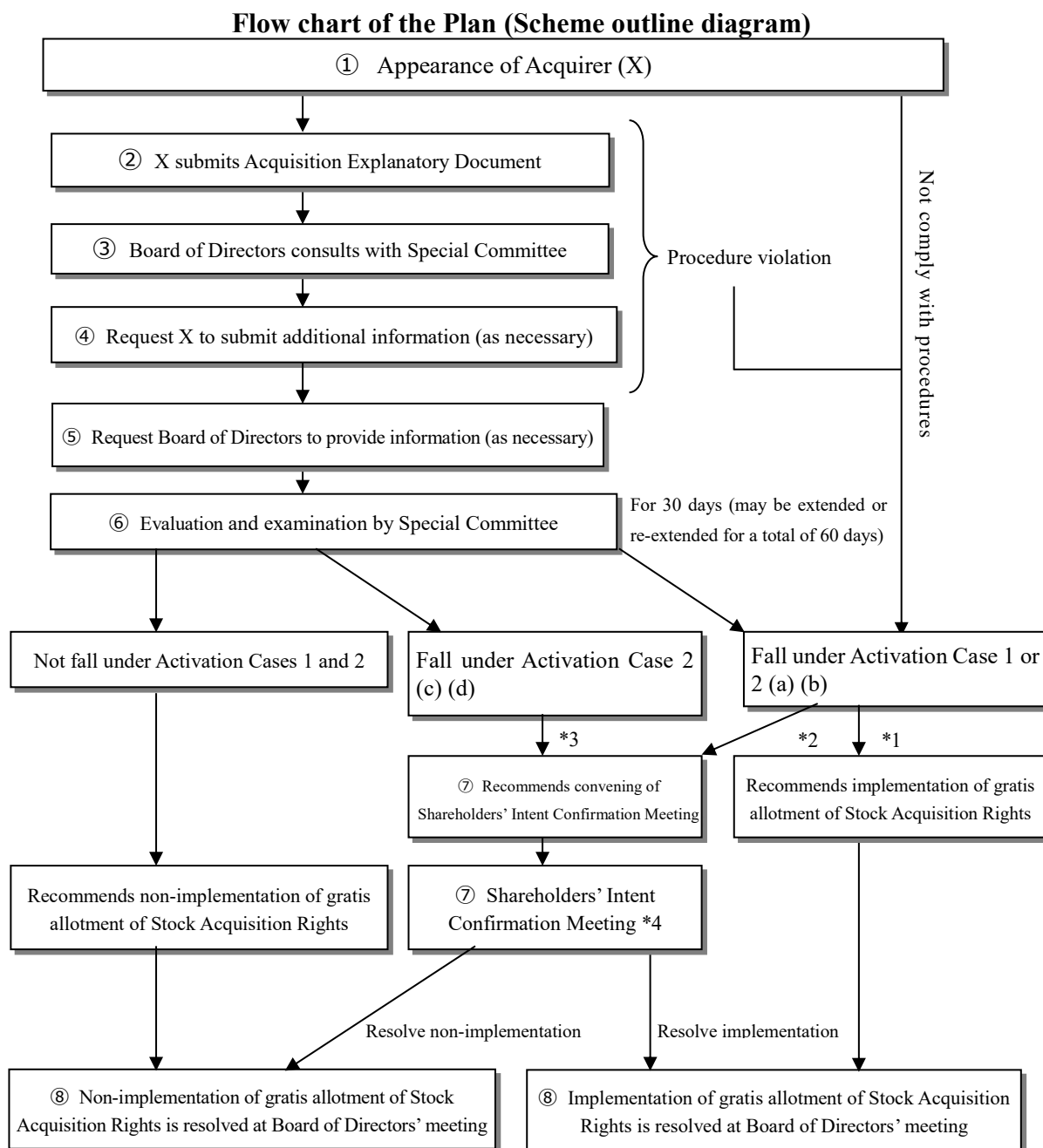
Delivery of the Stock Acquisition Rights and conditions thereof shall be separately determined by the Company's Board of Directors in the Gratis Allotment Resolution.

(9) Issuance of certificates of the Stock Acquisition Rights

Certificates of the stock acquisition rights pertaining to the Stock Acquisition Rights shall not be issued.

(10) Amendment due to changes in laws and regulations

The provisions of the laws and regulations cited above are based on those in effect as of April 14, 2022. In the case that any establishment, revision or abolition of laws and regulations from this day forward necessitates amendment to the provisions and meanings of terms set forth in the above clauses, such provisions, meanings of terms, etc. set forth in the above clauses may be replaced by the Company's Board of Directors as appropriate within a reasonable range upon consideration of the purpose of such establishment, revision or abolition.



*1 When the Special Committee judges that the case falls under Activation Case 1 or Activation Case 2 (a) or (b), and that a gratis allotment of the Stock Acquisition Rights should be suitable from the standpoint of necessity and adequacy, and recommends that a decision be left to the Board of Directors

*2 When the Special Committee judges that the case falls under Activation Case 2 (a) or (b), and recommends that confirmation of shareholders' intent be obtained

*3 When the Special Committee judges that the case could fall under Activation Case 2 (c) or (d), and recommends that a prior confirmation of shareholders' intent be obtained

*4 In addition to the case of *2 above, when the Company's Board of Directors deems it appropriate to consult with the General Meeting of Shareholders under certain circumstances

(Note) The above flow chart is a reference for providing simple description of the Plan. For details of the Plan, please refer to the main text.