

## Notice of Receipt of Letter Concerning Partial Withdrawal of Shareholder Proposal

In the "Notice of Receipt of Shareholder's Proposal" dated April 25, 2022, Kyokuto Boeki Kaisha, Ltd. (the Company) announced that it had received a shareholder's proposal regarding the agenda for the 102nd Annual General Meeting of Shareholders to be held on June 23, 2022. The Company received a letter dated June 3, 2022 from the proposing shareholder to withdraw a part of the shareholder's proposal, and by a resolution of the Board of Directors meeting held today, the Company resolved to consent to the partial withdrawal of the shareholder's proposal and to amend a part of the resolutions at the General Meeting of Shareholders in accordance with the resolution. The Company hereby announces that the Board of Directors has resolved today to consent to the partial withdrawal of the shareholder proposal and to amend some of the resolutions at the General Meeting of Shareholders accordingly.

The following are the details of the resolution. 1.

### 1. Proposing Shareholder

Name of Shareholder INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP and strategic capital ,Inc.

### 2. Outline of shareholder proposals proposed for withdrawal

Proposition 5: Amendments to the Articles of Incorporation regarding disclosure of cost of capital

### 3. Reason for Withdrawal

(The original text of the letter submitted by the proposing shareholder regarding the withdrawal is reproduced below.

Reason for Withdrawal)

INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP and strategic capital ,Inc.

The following is a translation of the original Japanese-language document that was submitted to the Tokyo Stock Exchange on April 22, 2012. (collectively, the "Proposing Shareholders") have agreed, by letter dated April 22 of this year, to hold a general meeting of shareholders of Kyokuto Boeki Kaisha, Ltd. (the "Company") to be held in June 2022.

However, in the Company's "Financial Results for the Year Ended March 31, 2022"

document dated May 26, 2022, the Company clarified its assumed cost of shareholders' equity and weighted average cost of capital. Therefore, the Company has already achieved the disclosure of its cost of capital that the proposing shareholder sought through its shareholder proposal, and therefore, the Company is withdrawing its proposed Agenda Item 2: Amendments to the Articles of Incorporation with regard to disclosure of cost of capital.

The Company posted on its corporate website on June 2, 2022 the Notice of Convocation of this General Meeting of Shareholders and Notice of the Board of Directors' Opinion on the Shareholder Proposal (TSE Timely Disclosure Document), which includes a partial withdrawal of the aforementioned shareholder proposal and the Company's consent to the proposal (TSE Timely Disclosure Document). However, these documents do not reflect the withdrawal of the aforementioned shareholder proposal and the Company's consent thereto (\*1). (\*2)

(\*1) Specifically, Proposal 5 in the Notice of Convocation was withdrawn.

(\*2) The Notice of the Annual General Meeting of Shareholders, which will be sent to shareholders in the near future, does not reflect the contents of the contents posted on the corporate website and the Company's consent (\*1) to the withdrawal.

(\*2) The convocation notice for this General Meeting of Shareholders to be dispatched to shareholders in the near future will be the same as that posted on the corporate website.

(\*2) The convocation notice and related documents for this General Meeting of Shareholders have already been sent out as described above, and Proposal 5 pertaining to the withdrawal will not be put on the agenda, and the agenda numbers of other proposals will not be moved up or otherwise changed as a result of the withdrawal.

(Reference) Matters to be Agreed (Resolved) at this General Meeting of Shareholders after the Withdrawal

Propositions 1 to 3

Proposal 1: Appropriation of Surplus

Proposal 2: Partial Amendment to the Articles of Incorporation

Proposal 3: Election of Five Directors (excluding Directors Serving as Audit and Supervisory Committee Members)

Shareholder's Proposals (Propositions 4 and 6 to 9)

Proposition 4: Election of one Director Not Serving as an Audit and Supervisory

Committee Member

Proposition 6: Amendments to the Articles of Incorporation with regard to Cross-shareholdings

Proposition 7: Partial amendment to the Articles of Incorporation to add the holding and management of investment shares of which purpose is purely for investment purposes to the agenda of Articles

Proposition 8: Amendments to the Articles of Incorporation with regard to cancellation of treasury shares

Proposition 9: Cancellation of treasury shares