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August 4, 2022

To Those Shareholders with Voting Rights

TAKARA & COMPANY LTD.

AKUTSU Seiichiro, President

(Securities code: 7921 TSE Prime Market)

Contact Person: WAKAMATSU Hiroaki, Managing Executive Officer, General Manager of General Affairs Dep.

Phone: 03-3971-3260

NOTICE OF THE 85th ANNUAL GENERAL MEETING OF SHAREHOLDERS

We hereby notify you about the 85th Annual General Meeting of Shareholders of the Company, which will be held as described below.

If you decide to refrain from attending the meeting, you can place your vote by post or electronic means including the use of the Internet. In order to prevent the spread of COVID-19 we ask that you select to exercise your voting rights beforehand, and refrain from attending this year's General Meeting of Shareholders in person. We request your understanding and cooperation in this matter. Please review the "Reference Documents for the General Meeting of Shareholders," and place your vote by no later than 6:00 p.m. on Thursday, August 25, 2022.

1. Date and Time 10:00 a.m., Friday, August 26, 2022

2. Place Ballroom Fuji, Hotel Metropolitan Tokyo 3F
6-1, Nishi-Ikebukuro 1-chome, Toshima-ku, Tokyo

3. Agenda of the Meeting:

- Matters to be reported:** (1) Business Report and Consolidated Financial Statements for the 85th Fiscal Term (from June 1, 2021 to May 31, 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 85th Fiscal Term (from June 1, 2021 to May 31, 2022)

Proposals to be resolved:

- Proposal No. 1:** Partial Amendments to the Articles of Incorporation
Proposal No. 2: Election of Six (6) Directors
Proposal No. 3: Continuation of a Policy on the Large-scale Purchase of the Company Shares (Anti-takeover Measures)
Proposal No. 4: Presentation of Retirement Benefits to a Retiring Director
Proposal No. 5: Final Payment Pursuant to the Abolition of the Retirement Bonus Plan

Guidance for the Advance Exercise of Voting Rights

- Exercising voting rights by post
Please return the enclosed Voting Rights Exercise Form with your approval or disapproval for each proposal, to be received by 6:00 p.m. on Thursday, August 25, 2022.
- By the Internet
Please access the Company's designated voting rights exercise website and send your approval or disapproval for each proposal by 6:00 p.m. on Thursday, August 25, 2022.

The partial translation of the notice of convocation can be viewed in PDF format.

- The notice is available on the Company's website (<https://www.takara-company.co.jp/english/ir/>), and on the websites shown below.

- “*Net de Shoshu* (online convocation)” (<https://s.srdb.jp/7921/>, available in Japanese)
- Japan Exchange Group, Inc. website (<https://www.jpx.co.jp/english/>)



The Company's
website



Net de Shoshu (online
convocation)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

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, introducing a system for electronic provision of materials for general meetings of shareholders. Consequently, the Company proposes to amend the Articles of Incorporation of the Company as follows.

- (1) The proposed Article 18, Paragraph 1 provides that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 18, 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 to those matters prescribed in the Ordinance of the Ministry of Justice.
- (3) Article 18 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) 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.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Articles 1 to 17 (Omitted)</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 18 In convening a general meeting of shareholders, the Company may be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the reference documents for the general meeting of shareholders, the business reports, the financial statements and the consolidated financial statements, by disclosing such information via the Internet in accordance with the provisions of the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>Articles 1 to 17 (Unchanged)</p> <p>(Deleted)</p> <p><u>(Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 18 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, 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>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="847 255 1460 344"><u>Supplementary provisions</u> <u>(Transition Measures Pursuant to the Adoption of Measures for Electronic Provision, Etc.)</u></p> <ol data-bbox="847 344 1460 1084" style="list-style-type: none"> <li data-bbox="847 344 1460 636">1. <u>The deletion of Article 18 of the Articles of Incorporation before amendment (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) and the establishment of Article 18 of the Articles of incorporation after amendment (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022.</u> <li data-bbox="847 636 1460 927">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 18 of the Articles of Incorporation before amendment (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from September 1, 2022.</u> <li data-bbox="847 927 1460 1084">3. <u>These supplementary provisions shall be deleted after the lapse of six months from September 1, 2022, or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u>

Proposal No. 2: Election of Six (6) Directors

All of the six (6) Directors will complete their terms of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of six (6) Directors. The candidates for Director are as follows.

No.		Name (age)	Current position at the Company	Concurrent positions at other listed companies	Attendance at meetings of the Board of Directors for the current fiscal term
1	Reelection	AKUTSU Seiichiro (68)	President and Representative Director	0	100% (14 out of 14 meetings)
2	Reelection	OKADA Ryusuke (59)	Director and Managing Executive Officer	0	100% (14 out of 14 meetings)
3	Reelection Outside Independent	IUE Toshimasa (59)	Director	3	100% (14 out of 14 meetings)
4	Reelection Outside Independent	SEKINE Chikako (68)	Director	2	100% (14 out of 14 meetings)
5	Reelection Outside Independent	SHIINA Shigeru (58)	Director	2	100% (10 out of 10 meetings)
6	New election	NOMURA Shuhei (39)	-	0	-

- Notes: 1. The ages of the above candidates for Directors are stated in Western style method as of the closing of this General Meeting of Shareholders.
2. No special interests exist between the Company and the above candidates for Directors.
3. Mr. IUE Toshimasa, Ms. SEKINE Chikako and Mr. SHIINA Shigeru are candidates for the position of Outside Director.
4. The Company has notified the Tokyo Stock Exchange of the appointment of Mr. IUE Toshimasa, Ms. SEKINE Chikako and Mr. SHIINA Shigeru as independent officers who have no potential conflicts of interest with general shareholders, as defined by the said exchange.
5. Mr. Shina Shigeru was newly appointed at the 84th Annual General Meeting of Shareholders held on August 27, 2021. His attendance at the Board of Directors for the current fiscal term refers to meetings held since his appointment.
6. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act. Insured parties under this contract include Directors and Corporate Auditors as prescribed under the Companies Act, and Executive Officers as prescribed under the Executive Officers System, of the Company and its subsidiaries. The contract covers legal damages and litigation expenses in the event that a claim for damages is made against an insured party due to his or her performance of duties. The contract also contains an exception clause excluding from coverage liability due to the illegal provision of personal gains, insider trading, criminal acts, etc. by an insured party. Each candidate who is elected and assumes office as Director will be included among the insured parties under the contract. The Company intends to renew the contract after the present term of the insurance expires.

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions		Number of shares of the Company held
<p style="text-align: center;">Reelection</p> <p>I. AKUTSU Seiichiro (68) (December 17, 1953)</p> <p>Attendance at the Board of Directors for the current fiscal term 100% (14 out of 14 meetings)</p>	<p>January 1986</p> <p>May 1989</p> <p>July 1991</p> <p>August 1991</p> <p>October 1996</p> <p>August 1997</p> <p>August 2002</p> <p>December 2019</p>	<p>Joined Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.)</p> <p>General Manager, President Office of the Company</p> <p>General Manager, General Planning Department of the Company</p> <p>Director and General Manager, General Planning Department of the Company</p> <p>Director and General Manager, Accounting Department of the Company</p> <p>Managing Director and General Manager, Accounting Department of the Company</p> <p>President and Representative Director of the Company (current position)</p> <p>President and Representative Director of Takara Printing Co., Ltd. (current position)</p> <p>Reasons for nomination as candidate for Director Since joining the Company, Mr. AKUTSU Seiichiro is well versed in its overall business mainly in the field of administration with abundant knowledge and experience in operations, and appropriately performs his duties. Since his assumption of office as Director in August 1991 and as President and Representative Director in August 2002, he has accumulated achievements as the chief executive officer of the Group. Therefore, the Company determines that he is appropriate as Director and reappoints him as a candidate for Director.</p>	<p style="text-align: center;">62,360 shares</p>

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions	Number of shares of the Company held
<p style="text-align: center;"><u>Reelection</u></p> <p>2. OKADA Ryusuke (59) (October 19, 1962)</p> <p>Attendance at the Board of Directors for the current fiscal term 100% (14 out of 14 meetings)</p>	<p>April 1986 Joined Nomura Securities Co., Ltd.</p> <p>August 2007 Joined Deutsche Securities Inc.</p> <p>January 2012 Joined Intralinks, Inc.</p> <p>December 2012 Joined Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) Deputy General Manager, Disclosure Translation Department of the Company</p> <p>July 2014 Executive Officer, General Manager, Global Solutions Department of the Company, and Head of Hong Kong Office</p> <p>August 2018 Director and Managing Executive Officer of the Company (current position)</p> <p>February 2019 Representative Director and Chairman of TOIN Corporation (current position)</p> <p>December 2019 Director and Managing Executive Officer of Takara Printing Co., Ltd. (current position)</p> <p>March 2020 Representative Director and Chairman of Simul International, Inc. (current position)</p> <p>Reasons for nomination as candidate for Director Mr. OKADA Ryusuke possesses deep insight and experience in securities operations. Since joining the Company, he has accumulated achievements in the management of the Group particularly in the areas of development and incubation of new businesses such as advisory services to domestic companies expanding overseas by drawing on his experience from serving at companies of foreign capital and overseas locations. Therefore, the Company determines that he is appropriate as Director and reappoints him as a candidate for Director.</p>	<p style="text-align: center;">5,300 shares</p>

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions	Number of shares of the Company held
<div style="text-align: center;"> Reelection Outside Independent </div> <p>3. IUE Toshimasa (59) (December 3, 1962)</p> <p>Attendance at the Board of Directors for the current fiscal term 100% (14 out of 14 meetings)</p>	<p>April 1989 Joined SANYO Electric Co., Ltd.</p> <p>June 1996 Member of the Board of SANYO Electric Co., Ltd.</p> <p>June 2002 Vice President of SANYO Electric Co., Ltd.</p> <p>June 2005 President of SANYO Electric Co., Ltd.</p> <p>June 2007 Special Advisor of SANYO Electric Co., Ltd.</p> <p>February 2010 Vice President and Operating Officer of LIXIL Group Corporation</p> <p>April 2011 Director, Vice President and Operating Officer of LIXIL Corporation</p> <p>June 2016 Director of LIXIL Group Corporation</p> <p>July 2017 Advisor of LIXIL Group Corporation</p> <p>June 2018 Outside Director (Member of the Audit Committee) of Enplas Corporation (current position)</p> <p>August 2019 Director of Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) (current position)</p> <p>June 2020 Outside Director of KAMEDA SEIKA CO., LTD. (current position) Outside Director of Torishima Pump Mfg. Co., Ltd. (current position)</p> <p>Reasons for nomination as candidate for Outside Director and expected roles Mr. IUE Toshimasa has held key positions including a representative director, and possesses abundant experience and broad insight as a corporate manager. Therefore, the Company expects him to participate from an objective standpoint in deliberations by the Board of Directors, and give valuable advice on our management as an Outside Director. He will have served as an Outside Director for three years at the closing of this General Meeting of Shareholders.</p>	0 shares

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions	Number of shares of the Company held
<div style="text-align: center;"> Reelection Outside Independent </div> <p>4. SEKINE Chikako (68) (December 16, 1953)</p> <p>Attendance at the Board of Directors for the current fiscal term 100% (14 out of 14 meetings)</p>	<p>April 1972 Joined Shiseido Yamagata Sales Co., Ltd.</p> <p>April 2006 General Manager, Osaka Branch of Shiseido Sales Co., Ltd. (currently Shiseido Japan Co., Ltd.)</p> <p>April 2008 Seconded to Headquarters of d'ici là Co., Ltd. General Manager, Japan Marketing Headquarters of d'ici là Co., Ltd.</p> <p>October 2009 General Manager, Beauty Consultation Planning Group, International Marketing Department, International Business Division of Shiseido Company, Limited</p> <p>April 2012 Corporate Officer of Shiseido Company, Limited</p> <p>April 2014 Corporate Executive Officer of Shiseido Company, Limited</p> <p>January 2016 Corporate Advisor of Shiseido Company, Limited</p> <p>April 2018 Representative Director of B-mind Corporation (current position)</p> <p>June 2018 Outside Director of VALQUA, LTD. (current position)</p> <p>August 2019 Director of Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) (current position)</p> <p>June 2021 Outside Director of TOLI Corporation (current position)</p> <p>Reasons for nomination as candidate for Outside Director and expected roles In addition to experience accumulated as a corporate officer of a major cosmetics company, Ms. SEKINE Chikako has served as a representative director and outside director at other companies and possesses abundant experience and broad insight. Therefore, the Company expects her to participate from an objective standpoint in deliberations by the Board of Directors, and give valuable advice on our management as an Outside Director. She will have served as an Outside Director for three years at the closing of this General Meeting of Shareholders.</p>	0 shares

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions	Number of shares of the Company held
<p data-bbox="204 613 347 712"> Reelection Outside Independent </p> <p data-bbox="165 745 384 840">5. SHIINA Shigeru (58) (May 10, 1964)</p> <p data-bbox="150 875 400 1032">Attendance at the Board of Directors for the current fiscal term 100% (10 out of 10 meetings)</p>	<p data-bbox="416 315 1217 981"> October 1991 Joined NEC Corporation May 1999 Joined KPMG Global Solutions Co., Ltd. July 2007 Managing Executive Officer of BearingPoint K.K. May 2009 Managing Executive Officer of PricewaterhouseCoopers Consultants K.K. July 2012 President and CEO of PricewaterhouseCoopers Co., Ltd. June 2016 Vice President of KPMG Consulting Co., Ltd. April 2019 Visiting Professor at the Faculty of Science and Technology, Keio University (current position) October 2019 Chairman of the Japan Para-Ski Federation (current position) June 2020 Outside Director of MIKUNI CORPORATION (current position) March 2021 Outside Director of Hotto Link Inc. (current position) June 2021 Outside Corporate Auditor of C Channel Corporation (current position) August 2021 Director of the Company (current position) January 2022 Representative Director and Chairman of uMi Inc. (current position) </p> <p data-bbox="416 1016 1217 1332"> Reasons for nomination as candidate for Outside Director and expected roles In addition to abundant experience as a corporate manager in global corporations, Mr. SHIINA Shigeru has broad insight into M&A and information technology. Therefore, the Company expects him to participate as an expert in corporate management in deliberations by the Board of Directors, and give valuable advice on our management as an Outside Director. He will have served as an Outside Director for one year at the closing of this General Meeting of Shareholders. </p>	<p data-bbox="1273 808 1369 840">0 shares</p>

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions	Number of shares of the Company held
<p data-bbox="197 645 352 678">New election</p> <p data-bbox="156 712 395 808">6. NOMURA Shuhei (39) (June 7, 1983)</p>	<p data-bbox="416 315 1217 792"> October 2007 Joined Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) December 2010 Representative Director of Nomura Co., Ltd. (current position) February 2015 Head, Nagoya Sales Office of Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) July 2019 Executive Officer and General Manager, Disclosure & IR Business Department I of the Company December 2019 Executive Officer and General Manager, Disclosure & IR Business Department I of Takara Printing Co., Ltd. July 2022 Managing Executive Officer, General Manager, Financial Corporate Sales Department I and General Manager, Financial Corporate Sales Department II of the Company (current position) </p> <p data-bbox="416 824 1217 1048"> Reasons for nomination as candidate for Director Since joining the Company, Mr. NOMURA Shuhei has accumulated experience in the Company's operations, mainly in the fields of administration and sales, and possesses abundant knowledge and experience. The Company has nominated him as a candidate for Director because it expects him to contribute to the management of the Group. </p> <p data-bbox="416 1079 1217 1171"> * Mr. NOMURA Shuhei serves as Representative Director of Nomura Co., Ltd., which separately holds 632,800 shares of the Company's stock (stockholding ratio: 4.81%). </p>	<p data-bbox="1251 725 1390 759">500 shares*</p>

(Reference)

If Proposal No. 2 is approved then the Company's Directors and Corporate Auditors, and the expertise specifically expected from each, will be as shown below. However, this does not represent all areas of insight that they possess.

Name		Corporate management/ Management strategy	Finance & accounting/ M&A	Disclosure sales/ Finance sector	Interpreting & translating/ Global	ESG/ diversity	Legal affairs/ compliance
Directors	AKUTSU Seiichiro	●	●	●		●	
	OKADA Ryusuke	●	●	●	●	●	
	IUE Toshimasa	Outside Independent	●	●	●	●	
	SEKINE Chikako	Outside Independent	●	●	●	●	
	SHIINA Shigeru	Outside Independent	●	●	●	●	●
	NOMURA Shuhei		●	●	●		●
	TAMURA Yoshinori		●	●	●		●
Corporate Auditors	MATSUO Shinkichi	Outside Independent	●	●		●	
	TAKANO Daijiro	Outside Independent	●	●	●	●	●

Corporate management/ Management strategy: Corporate management experience and risk management insight
 Finance & accounting/ M&A: Qualified practitioners, finance and accounting insight and M&A experience
 Disclosure sales/ Finance sector: Disclosure sales experience and abundant insight into financial instruments and the finance field
 Interpreting & translating/ Global: Interpreting and translating business experience and industry insight, and experience in overseas business development and with foreign corporations
 ESG/ diversity: Insight into environmental and social contribution activities, corporate governance, diverse working styles, etc.
 Legal affairs/ compliance: Qualified practitioners, legal insight and insight into compliance

Policy for selecting officers and procedures for nomination, etc.

Directors of the Company shall have excellent personality, as well as insight, abilities and extensive experience to manage the Company in an appropriate, fair and efficient manner, in addition to high ethical standards. All Directors shall serve single-year terms, and their election shall be resolved at an Annual General Meeting of Shareholders.

Outside Directors and Part-time Directors are elected referring to the Independence Criteria in the following paragraph.

Candidates for Directors and Corporate Auditors are determined by the Board of Directors upon selection in accordance with this policy reflecting the recommendations from the Nomination and Remuneration Committee.

The Company's basic policy for concurrent service is that Independent Outside Directors and Independent Outside Corporate Auditors shall not serve concurrently as an outside director or outside corporate auditor at more than four listed companies other than the Company.

Independence Criteria for Independent Outside Directors

Independent Outside Directors and Part-time Directors are in principle elected from among "those who have broad, profound and extensive experience and considerable insight necessary for making managerial decisions from a neutral standpoint independent from the management team that executes business of the Company" in the expectation that they will encourage open-minded and constructive discussions at the Board of Directors. The criteria for determining the independence of Independent Outside Directors when selecting them shall be that they have no interests with the Company or have no potential conflicts of interest with general shareholders, referring to the independence criteria provided by the Tokyo Stock Exchange.

Policy for selecting Corporate Auditors

Corporate Auditors of the Company shall have excellent personality, as well as insight, abilities and extensive experience to audit the execution of duties by Directors in an appropriate, fair and efficient manner, in addition to high ethical standards. At least one (1) Corporate Auditor shall possess ample insight into finance and accounting.

Proposal No. 3: Continuation of a Policy on the Large-scale Purchase of the Company Shares (Anti-takeover Measures)

The Company adopted a policy on the large-scale purchase of the Company shares (Anti-takeover Measures) which was approved by the shareholders at the Company's 70th Annual General Meeting of Shareholders held on August 23, 2007. The Anti-takeover Measures were resolved and continued at the 73rd Annual General Meeting of Shareholders held on August 20, 2010, the 76th Annual General Meeting of Shareholders held on August 23, 2013, the 79th Annual General Meeting of Shareholders held on August 26, 2016, and the 82nd Annual General Meeting of Shareholders held on August 23, 2019 (the current Anti-takeover Measures hereinafter referred to as the "Current Plan"), and the effective term of the Current Plan is until the conclusion of the 85th Annual General Meeting of Shareholders (hereinafter referred to as "this AGMS") to be held on August 26, 2022.

Under the "Basic Policy on Corporate Governance" stipulated on July 21, 2015, for the purpose of ensuring the common interests of shareholders, we have continued to examine how the Current Plan should be, including whether or not to continue the Current Plan, responding flexibly to the changes in the environment, on the assumption that the businesses operated by the Group have a strong commitment to public service specializing mainly in supporting preparations of statutory and non-statutory corporate disclosure and IR-related documents that are highly confidential or sensitive.

As a result, we hereby announce that the Board of Directors, including three Outside Directors, resolved at its meeting held on July 8, 2022 that the Current Plan should be continued (the newly continued plan hereinafter referred to as "the Plan"), subject to approval by the shareholders at this AGMS.

The three Corporate Auditors, including two Outside Corporate Auditors, have stated that they all consent to the Plan on the condition that it is appropriately implemented.

I. Basic Policy on Who Is Suitable to Be Entrusted with Control of Decision-Making over the Financial and Business Policies of the Company

On December 2, 2019, the Company executed an incorporation-type company split, establishing Takara Printing Co., Ltd. as a subsidiary and transitioning to a holding company structure. Moreover, it acquired all the shares of TOIN Corporation and Simul International, Inc. in February 2019 and March 2020, respectively, aiming to strengthen and expand its interpreting and translating business.

The Group's core business, operated mainly through its subsidiary Takara Printing Co., Ltd., includes supporting the preparation of disclosure and IR-related documents under the Financial Instruments and Exchange Act, Companies Act, etc. for clients including listed companies. These operations relate to critical matters for the development of fair capital markets. Should the Company encounter a situation that hinders the smooth execution of these operations, its clients' disclosure and IR activities may be impeded, which could lead to a material effect on the maintenance of fair capital markets. Accordingly, the Company believes that the Group has a crucial responsibility in society regarding its business execution.

Moreover, in its interpreting and translating business, it is anticipated that the Group will handle material confidential information provided by clients. It is therefore essential for the Group's businesses to maintain a highly secure environment and advanced expertise in order to protect and secure the confidentiality of the information (including insider information) entrusted to it by clients. Since their foundation, the Company and its Group companies have accumulated and developed information and various tools related to disclosure and IR, as well as know-how possessed by each individual employee and networks with cooperative business partners, all of which constitute valuable and important assets that can be offered to clients. We believe that the wellspring of our corporate value lies in our efforts to create an environment in which each and every employee is empowered to act in a fashion that gains trust from clients and caters to their needs through corporate management that enhances organizational strengths.

We are convinced that the enhancement of corporate value and the common interests of shareholders can only be achieved by ensuring a reasonable profit returnable to shareholders over the medium to long term, and sufficiently fulfilling our role and mission in society while maintaining management independence. We believe it is of crucial importance to maintain and develop sound and appropriate relations with our stakeholders, including clients, business partners and employees, and of course shareholders. These, we believe, are the kinds of management principles that are fundamental to maintaining the Group's edge in its core business of disclosure and IR services, in addition to interpreting and translating.

When a bid is made to purchase the Company's shares, therefore, the impact of that purchase on the Company's corporate value and on the common interests of its shareholders needs to be properly determined by adequately

grasping and examining the following: the feasibility and legality of the business plan proposed by the purchaser; the impact on management resources both tangible and intangible, especially on clients' trust, as well as the individual impact on each stakeholder, and how these will affect corporate value; the benefits that would accrue should the purchase be made; the actual state of the Group's finances and operations, and other factors contributing to the Company's corporate value.

If, as the result of this understanding and examination, it is considered that a large-scale purchase of the Company's shares may harm its corporate value, symbolized by the Group's know-how in its core business of disclosure and IR services, and thereby undermine the common interests of shareholders, we will regard that the party making that purchase is not suitable to be entrusted with control over decision-making on the financial and business policies of the Company.

To be specific, a large-scale share purchase will be deemed incompatible with the Company's corporate value and the common interests of its shareholders in such cases as these: (i) if the purchase poses a clear threat of damaging the Company's corporate value and the common interests of shareholders; (ii) if it could effectively compel shareholders to sell their shares, as in a coercive two-tier takeover (in the case of a tender offer, offering to buy up all the Company's shares at the time of the initial purchase and setting unfavorable conditions of purchase for the second stage, which may effectively coerce shareholders to sell the Company's shares); (iii) if it is implemented without allowing the Company reasonable time to propose an alternative; (iv) if it is implemented without providing shareholders with the information reasonably deemed necessary to judge the specifics of the purchase; or (v) if the conditions of the purchase (e.g., the amount to be paid or form of payment, the timing of the purchase, or the legality of the method of purchase) are inadequate or inappropriate in light of the Company's actual corporate value, they will be considered unwilling to contribute to the Company's corporate value and the common interests of its shareholders.

II. Steps Designed to Contribute to Realization of the Basic Policy

Since the late Mr. Masamichi Nomura, who then worked for the Japanese government's Securities and Exchange Commission (now the Financial Services Agency), founded the Company, we have specialized in supporting clients' preparation of corporate disclosure and IR-related documents that are highly confidential or sensitive, as well as interpreting and translating, etc. In this business, we have ensured a management framework emphasizing information management and quality control systems, not to mention expert knowledge.

The Group has been working to enhance its risk management system in order to develop and improve the internal control system, as well as to further enhance its corporate governance based on the "Basic Policy on Corporate Governance." At the same time, the Company has formulated and launched "New Medium-Term Management Plan FY2023" and is working to achieve the plan's targets.

Regarding the return of profits to shareholders over the long term, we regard this matter as one of the important management issues, and based on our policy on maintaining stable dividends, having taken into consideration the reinforcement of our corporate structure and future business developments, we pay dividends commensurate with financial performance. Since we believe we have sufficient internal reserves for smooth business operations, we intend to return profits to shareholders in the form of dividends, as much as possible. Regarding the acquisition of treasury stock, with the goals of returning profits to shareholders as well as increasing capital efficiency, and taking into consideration the liquidity of the Company's shares, acquisitions will be made on an as-needed basis.

In order to enhance the Company's sustainable growth, social importance and corporate value over the medium to long term, we are striving to ensure profits while promoting CSR management. And through providing high-quality products and services, implementing environmental conservation activities, safety information control, and equitable employment, we are conducting management in a timely and appropriate manner to return profits to shareholders.

* "Basic Policy on Corporate Governance" is posted on the Company's website:

<https://www.takara-company.co.jp/english/ir/policy/cg.html>

* "New Medium-Term Management Plan FY2023" is posted on the Company's website:

<https://www.takara-company.co.jp/english/ir/policy/management-plan.html>

III. Specifics of the Plan

Our policy on the large-scale purchase of company shares ("the Plan") is designed to keep control of decision-making over the Company's financial and business policies out of the hands of purchasers who, in light of this policy, pose a clear threat of damaging the Company's corporate value and the common interests of its shareholders.

The Plan shall be subject to resolution by the General Meeting of Shareholders, and shall not be intended to serve Directors' own interests but to serve the common interests of shareholders.

1. Purpose of Adoption of the Plan

The Company does not consider all large-scale share purchases unacceptable. Nonetheless, as is clear from past instances in Japan, some large-scale share purchases can damage corporate value and harm the common interests of shareholders.

In the case of a purchase of company shares or a similar act, or a proposal to purchase company shares (all referred to hereinafter by the general term “purchase”), the Plan clearly sets out procedures to be followed by the party making the purchase or proposal (referred to hereinafter by the general term “purchaser”). It is thereby designed to ensure that shareholders are given sufficient necessary information and time to reach an appropriate decision. It is also designed to secure the opportunity to negotiate with the purchaser. By means of the Plan, the Company hopes to keep control of decision-making over the Company’s financial and business policies out of the hands of purchasers who, in light of this policy, pose a clear threat of damaging the Company’s corporate value and the common interests of its shareholders, and thus to prevent its corporate value from being damaged and the interests of its shareholders from being undermined contrary to their intentions.

As to the status of major shareholders of the Company as of May 31, 2022, please refer to Business Report “2. Status of Shares” (Japanese only).

Please be advised that the Company has not received any proposal regarding large-scale purchase of shares of the Company at present.

2. Purchases Subject to the Plan

If a purchaser implements a purchase that matches either of the descriptions below (“a subject purchase”), the Company will consider whether or not to issue stock acquisition rights without charge or take such other countermeasures as are permitted under the law and the Company’s Articles of Incorporation (sometimes referred to hereinafter simply as “countermeasures”).

- (i) A purchase that, with respect to shares and other securities¹ issued by the Company, would result in the ratio of shares and other securities held² by a particular holder³ exceeding 20%
- (ii) A tender offer that, with respect to shares and other securities⁴ issued by the Company, would result in the total of the ratio of held shares and other securities⁵ covered by the tender offer⁶ and of the ratio of shares and other securities held by special stakeholders⁷ exceeding 20%

3. Procedures for Invocation or Non-invocation of the Plan

3.1. Establishment of a Special Panel

If a subject purchase has been or may be implemented, the Company’s Board of Directors will promptly establish a Special Panel independent of the Board.

The Special Panel will, independently of the Board of Directors, deliberate and make recommendations to the Board of Directors.

In the interests of protecting the corporate value of the Company and the common interests of its shareholders, the Special Panel will consult and negotiate with the purchaser as necessary, either directly or indirectly, in accordance with “3.2. Request to the Purchaser for Information” below. If the Special Panel asks the purchaser to furnish documentation for study or other information, or to enter consultations or negotiations, the purchaser must promptly accede.

An overview of the Special Panel is provided in “IV. The Special Panel.”

¹⁻⁷ Each of these terms is to be understood as defined in the Financial Instruments and Exchange Act (Act No. 25 of 1948, April 13, 1948).

3.2. Request to the Purchaser for Information

Except where the Company's Board of Directors deems it unnecessary, a purchaser engaging in a subject purchase will, before going ahead with the purchase, submit to the Board of Directors a written statement ("purchase description") containing the following information, along with a pledge to comply with the procedures set out in the Plan when implementing the purchase:

- (i) details about the purchaser and the purchaser's group (including joint shareholders⁸, special stakeholders, association members, and, in the case of a fund, any other constituent members), including a specific name, address, the law under which established, name of the representative, contact information in Japan, capital structure, and financial structure;
- (ii) the purpose, method, and specifics of the purchase, including the purchase price and form of payment, purchase timing, relevant transaction methods, the legality of the proposed purchase method, and feasibility of the purchase;
- (iii) the basis on which the purchase price is calculated, including the facts on which the calculation is predicated, the method of calculation, and the numerical information used to make the calculation; as well as the premium value expected to arise from the series of transactions involved in the Purchase and the basis on which that value is calculated, and specifically the premium value to be distributed to minority shareholders and the basis on which that value is calculated;
- (iv) evidence of funding to make the purchase, including the specific names of the providers (including the real providers) of the purchase funding, how it is to be raised, and details of relevant transactions;
- (v) management policies, business plans, capital policies, and dividend policies for the Group to be implemented after the purchase;
- (vi) policies pertaining to the treatment of the Group's clients, business partners, employees, community stakeholders, and so forth to be implemented after the purchase;
- (vii) any legislative or other regulations that may apply to the purchase proposal, as well as the possibility that legislative or other approval or licensing can be obtained;
- (viii) the possibility that the licensing required for the Group to operate can be maintained after the purchase, and that legislative and other regulations can be duly observed; and
- (ix) such other information as the Special Panel deems reasonably necessary.

Upon the Company's receipt of the purchase description, the Board of Directors will promptly submit it to the Special Panel.

If the Special Panel determines that the information contained in the purchase description falls short of what is required, it may ask the purchaser to submit such additional information as is necessary to analyze its purchase, setting a reasonable deadline to reply.

To enable proper disclosure of information to our shareholders, the purchase description and any additional information submitted must, whatever language they are in, be accompanied by a Japanese translation. For the same reason, the Japanese text will be treated as the official version.

If a purchaser appears on the scene, the Company will disclose appropriate information at the necessary time. Any information submitted may also be disclosed if the Board of Directors deems it necessary in order to enable shareholders to reach a decision.

3.3. Request by the Special Panel for Opinions and Information from the Company's Board of Directors

Once the purchaser has submitted the purchase description and any other additional information requested, the Special Panel will ask the Company's Board of Directors to submit its opinions on the specifics of the purchase by the purchaser, setting a reasonable deadline within ten business days of receipt of that description. Along with its opinions, the Board will also be asked to submit documentation to back them up, an alternative plan, and such other information as the Special Panel may deem necessary.

⁸ To be understood as defined in the Financial Instruments and Exchange Act (Paragraph 5, Article 27-23).

3.4. Course of the Special Panel's Deliberations

Upon receipt of the purchase description and the other information requested from the purchaser, and of the opinions, documentation, and other information requested from the Company's Board of Directors, the Special Panel will have a maximum period of, as a rule, sixty days to deliberate ("period for deliberation by the Special Panel"). (The Special Panel can however extend this period under 3.6.(iii).) During that time, the Special Panel will gather information on the respective business plans, etc. of the purchaser and the Company's Board of Directors, examine the details of the purchase by the purchaser and of the alternative plan proposed by the Company's Board, and compare the two. It will analyze the details of the purchase from the standpoint of protecting the Company's corporate value and the common interests of its shareholders.

To ensure that its judgments indeed contribute to the Company's corporate value and the common interests of its shareholders, the Special Panel can, at the Company's expense, seek the advice of independent third parties including certified public accountants, lawyers, consultants, financial advisers, and other experts.

3.5. Disclosure of Information to Shareholders

To increase the transparency of its decisions, the Special Panel will promptly disclose to shareholders the emergence of a purchaser, a summary and facts of receipt of the purchase description from the purchaser, the opinion of the Company's Board of Directors on the details of the purchase by the purchaser, a summary and facts of the alternative plan presented by the Board, facts of the beginning and the end of the period for deliberation by the Special Panel and such other information as the Special Panel or the Board of Directors of the Company consider appropriate. However, information deemed by the Panel as unsuitable for disclosure, such as business secrets, will be exempt from disclosure.

3.6. How the Special Panel Reaches Its Decision

If a purchaser appears on the scene, the Special Panel will implement the procedures described below.

The details of the recommendation made by the Special Panel in line with these procedures will, along with other relevant information, be promptly disclosed by the Company upon adoption of the relevant resolution. (If the period for deliberation by the Special Panel is extended as per (iii) below, the information disclosed will include the length of and reason for the extension).

- (i) If the Special Panel recommends invocation of Countermeasures
If the Special Panel determines that the purchase by the purchaser meets one of the conditions stipulated in "4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures" below, and concludes that it is, therefore, appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel will recommend to the Company's Board of Directors that such measures be implemented.
- (ii) If the Special Panel recommends non-invocation of Countermeasures
If, as the result of examining the details of the purchase by the purchaser and negotiating with the purchaser, the Special Panel concludes that the purchase meets none of the conditions stipulated in "4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures" below or concludes that, although the purchase meets one of those conditions, it would not be appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel will recommend to the Company's Board of Directors that no such measures be implemented.⁹
- (iii) If the period for deliberation by the Special Panel is extended
If, by the end of the original period for deliberation by the Special Panel, the Panel has not yet formulated a recommendation on whether or not to issue stock acquisition rights without charge or implement other countermeasures, the Panel can decide to extend the period of deliberation for as long as considered reasonably necessary (provided, however, no more than thirty days) in order to examine the details of the purchase by the purchaser, negotiate with the purchaser, and so forth.

⁹ However, if a change occurs in the facts upon which this recommendation is predicated, leading the Special Panel to conclude that the purchase now meets one of the conditions stipulated in "4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures" below, and that it is, therefore, appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel can reach a different decision, which may include recommending to the Company's Board of Directors that stock acquisition rights be issued without charge or other countermeasures taken.

3.7. Resolution of the Board of Directors

The Board of Directors of the Company shall respect the recommendation of the Special Panel under “3.6. How the Special Panel Reaches Its Decision” above in resolving whether or not to issue stock acquisition rights without charge or implement other countermeasures.

Upon adoption of the resolution, the Board of Directors will promptly disclose its content and other relevant information.

The purchaser cannot implement the purchase of company shares until the Company adopts this resolution.

3.8. Holding of General Meeting of Shareholders

If the Special Panel has recommended the Board of Directors obtain prior approval from the General Meeting of Shareholders to confirm the intention of shareholders with respect to whether to issue stock acquisition rights without charge or implement other countermeasures, or the Board of Directors has decided in accordance with its duty of care that it is appropriate to confirm the intention of shareholders regarding matters such as whether it satisfies the “4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures” below, the Board of Directors may hold a General Meeting of Shareholders to consult with the shareholders.

4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures

If the purchaser fails to abide by the procedures stipulated in the Plan, or if, although the purchaser abides by those procedures, the purchase corresponds to one of the descriptions below, and it is therefore deemed appropriate to issue stock acquisition rights without charge or take other countermeasures, the Special Panel will recommend the Company’s Board of Directors implement such measures in accordance with the procedures stipulated in 3. above, “Procedures for Invocation or Non-invocation of the Plan.” The Board of Directors will then decide, based on the Special Panel’s recommendation, whether or not to invoke countermeasures.

- (i) If the purchase poses a clear threat of damaging the Company’s corporate value and the common interests of its shareholders in that it involves one of these or similar behaviors:
 - a. though there exists no true intention of participating in the management of the Company, buying up shares for the purpose of making the Company buy back the shares at a premium, which is deemed a so-called “greenmailer” scenario;
 - b. gaining temporary control of the Company and then transferring its important assets such as clients’ confidential information including insider information, disclosure and IR-related information, know-how, network with our business partners, disclosure document preparation system, or factory facilities to the purchaser or its group companies. These types of conduct are deemed to be for the iniquitous purpose or for the benefits of the purchaser to the detriment of the public interest of the Company’s business;
 - c. intention to misappropriate Company assets to use as security for the purchaser’s own debt or that of one of its group companies, or to pay down such debt, all of which are deemed a leveraged buyout for realizing profits with no public interest; or
 - d. gaining temporary control of the Company and having it dispose of its real estate, securities and other assets, etc. that are not immediately related to its business, which is deemed to be for the purpose of causing the Company to pay temporarily inflated dividends out of the profits gained from such disposition; or taking advantage of the sudden jump in share price triggered by that temporary surge in dividends to sell off the shares at a premium.
- (ii) If the purchase could effectively compel shareholders to sell their shares, as in a coercive two-tier takeover.
- (iii) If the purchase is implemented without the Company being given the time reasonably necessary to present an alternative plan.
- (iv) If the purchase is implemented without shareholders being adequately provided with the information requested and such other information as is deemed reasonably necessary in order to assess the details of the purchase.
- (v) If the conditions of the purchase (e.g., amount to be paid or form of payment; timing of the purchase; legality of the method of purchase; feasibility of the purchase; management policies or business plans to be implemented after the purchase; the impact of the purchase on the Company’s relationship with its clients; or policies pertaining to the treatment of the Company’s clients, business partners, employees, community stakeholders, and so forth to be implemented after the purchase) are inadequate or inappropriate in light of the Company’s actual corporate value.

5. Countermeasures Other Than the Issue of Stock Acquisition Rights without Charge

Besides the issue of stock acquisition rights without charge, the Company's Board of Directors may in certain cases choose to take one of the other countermeasures permitted under the law and the Company's Articles of Incorporation. In that case, it will select the form of action deemed appropriate at the time, such as the issue of shares for subscription, after referring the matter to the Special Panel.

IV. The Special Panel

If a subject purchase has been or may be implemented, the Company's Board of Directors will promptly establish a Special Panel.

To guarantee the Special Panel's impartiality, objectivity, and reasonableness, the Board of Directors will appoint to the Panel individuals who have a high degree of independence from both the Company's Board of Directors and the purchaser, namely, outside directors, outside corporate auditors, or outside eminent persons such as lawyers or university professors. The appointed members will elect a chairperson from their number. The Panel will consist of three or more members. For an overview of the Special Panel to be established under the Plan, see Appendix 1, "The Special Panel Rules." For the names of the candidates for the Panel and brief summaries of their careers, see Appendix 2, "Candidates for the Special Panel."

V. Overview of the Applicable Stock Acquisition Rights

If under the Plan it is decided to issue stock acquisition rights without charge (which rights will be referred to hereinafter as "applicable stock acquisition rights"), the Company will notify all shareholders recorded in the latest register of shareholders or register of beneficial shareholders as of a specific date, to be set by the Company's Board of Directors, that stock acquisition rights will be issued to them, without charge, at the rate separately determined by the Board of Directors per share held. Two conditions will be imposed on these stock acquisition rights: (i) the exercise provision that certain parties including the purchaser will not be allowed to exercise those rights; and (ii) the acquisition provision that the Company will acquire one stock acquisition right in exchange for one Company share from any shareholder other than the purchaser and related parties.

VI. Approval of the Plan by the General Meeting of Shareholders

The Plan will be rescinded if it fails to be approved by the shareholders at the Annual General Meeting of Shareholders.

VII. Effective Term, Repeal, and Revision of the Plan

The effective term of the Plan will be approximately three years from the conclusion of the Annual General Meeting of Shareholders, until the conclusion of the Annual General Meeting of Shareholders relating to the fiscal term ending on May 31, 2025.

The Company can repeal the Plan before its effective term expires by a resolution of the Board of Directors.

In the interests of maintaining and enhancing its corporate value and the common interests of its shareholders, the Company can also modify the Plan during its effective term by a resolution of the Board of Directors, as long as the modifications do not violate the spirit of the Plan as approved by the Annual General Meeting of Shareholders.

The Company can repeal or revise the Plan during the effective term of the Plan with the approval of a majority of the shareholders at a General Meeting of Shareholders. If the Plan is repealed or revised, the Company will promptly disclose the relevant details.

VIII. The Reasonableness of the Plan

In line with the Company's basic policy, the Plan fulfills related laws and regulations, court precedents, Regulations for Trading Supervision Systems at Trading Participants to Prevent Unfair Trading set out by Tokyo Stock Exchange, Inc., and three principles set out in the related laws and regulations the Guidelines on Anti-takeover Measures Designed to Guarantee or Enhance Corporate Value and the Common Interests of Shareholders (Ministry of Economy, Trade and Industry and Ministry of Justice, May 27, 2005): (i) the principle of guaranteeing and enhancing corporate value and the common interests of shareholders; (ii) the principle of prior disclosure and the will of the shareholders; and (iii) the principle of necessity and appropriateness as well as contents of guideline set forth in the "Takeover Defense Measures in Light of Recent Environmental Changes" (Corporate Value Study Group, June 30, 2008).

1. The Will of Shareholders Is Respected

The Plan will be rescinded if the essential thinking behind it fails to be approved by the shareholders at the

Annual General Meeting of Shareholders.

The effective term of the Plan is restricted to approximately three years. In addition, the Company's Directors serve for a term of one year; hence shareholders have a chance for their voice to be heard once a year when the Directors come up for election.

2. Decisions Are Based on the Recommendation of Highly Independent Outsiders, and Information Is Duly Disclosed

Under the Plan, a Special Panel is established consisting of individuals who are in a position to oversee the Board of Directors, to wit, outside directors, outside corporate auditors, and outside eminent persons such as lawyers or university professors. The decision on whether or not to invoke the Plan is made by a resolution of the Board of Directors in accordance with the Panel's recommendation. The adoption of these procedures creates a mechanism that prevents arbitrary decisions by the Company's management and ensures that the Plan is administered fairly in such a way as to contribute to maintaining and enhancing the corporate value of the Company and the common interests of its shareholders.

To further increase the transparency of the Special Panel's decisions, a summary of the purchase description submitted by the purchaser, the opinions of the Company's Board of Directors on the specifics of the purchase by the purchaser, a summary of the Board's alternative plan, and such other information as the Special Panel deems appropriate are in principle promptly disclosed to shareholders.

3. Objective Conditions Are Established for Invoking the Plan

The Plan is designed not to kick in unless certain rational, objective conditions defined in advance are met. This mechanism serves to prevent arbitrary decisions by the Company's Board of Directors.

4. The Views of Third-party Experts Are Obtained

The Special Panel can, at the Company's expense, seek the advice of independent third parties including certified public accountants, lawyers, consultants, financial advisers, and other experts. This further strengthens the impartiality and objectivity of the Special Panel's decision.

5. The Plan Is Not a Dead-hand or Slow-hand Defense

The Plan can, before its effective term expires, be repealed by a resolution of the Company's Board of Directors. It is therefore not a so-called dead-hand defense.

The Company's Directors serve for one-year terms, and those terms are not staggered. The Plan is thus not a so-called slow-hand defense either.

IX. Impact on Shareholders

1. Impact on Shareholders at the Time of the Plan's Adoption

At the time of the Plan's initial adoption, there is no direct specific impact on the rights and interests of shareholders and investors, since no issuance of applicable stock acquisition rights without charge then takes place.

2. Impact on Shareholders When Applicable Stock Acquisition Rights Are Issued

Applicable stock acquisition rights will be granted, without charge, at a rate separately determined, to all persons who are shareholders of the Company as of a specific date, which date is set separately by the Company's Board of Directors in the resolution deciding that stock acquisition rights are to be issued. One stock acquisition right will be issued per share held. All shareholders will automatically receive their stock acquisition rights on the date when the issue of those rights takes effect; no application procedures are thus required.

In exchange for Company's shares, the Company will, by resolution of the Board of Directors, acquire applicable stock acquisition rights from any shareholder except the purchaser, which will be unable to exercise stock acquisition rights (that purchaser will be referred to hereinafter as "the rights-restricted purchaser"). Shareholders other than the rights-restricted purchaser will thus receive Company shares without exercising the applicable stock acquisition rights or paying money equivalent to the exercise price; the Company shares they hold will therefore not be diluted.

When applicable stock acquisition rights are to be issued without charge, a base date relating to the issue of those stock acquisition rights will be announced. Stock acquisition rights will then be granted, without charge, to shareholders as of that base date. Shareholders must therefore promptly complete registration transfer

procedures. Shareholders whose certificates are deposited with the Japan Securities Depository Center, however, do not need to complete registration transfer procedures.

When the Board of Directors passes a resolution deciding to acquire applicable stock acquisition rights, the Company will acquire those rights as of a date separately determined by the Board of Directors in accordance with legally prescribed procedures. Shareholders will be issued Company stock in return. In such cases the Company may ask such shareholders to separately submit a written statement, in a format prescribed by the Company, asserting, among other matters, that they are not the rights-restricted purchaser.

Even after the base date for issue of the applicable stock acquisition rights, or after the issue of those rights takes effect, the Company may, by the day before the first day of the exercise period for the applicable rights, cancel the issuance of the applicable rights or acquire the applicable stock acquisition rights without charge and without issuing Company shares to those holding those rights under certain circumstances such as where the purchaser withdraws its large-scale purchase bid. In such cases the value per share will not be diluted; considerable damages may therefore be sustained by shareholders or investors who trade the stock in anticipation of a dilution in its per-share value.

In addition to the above, details of the method of allotment, exercise and acquisition by the Company will be disclosed or announced to shareholders upon adoption by the Board of Directors of a resolution to issue applicable stock acquisition rights without charge.

The Special Panel Rules

Article 1

This set of rules governs the operation and activities of the Special Panel to be established by the Board of Directors in order to consider the question of whether to invoke the policy on the large-scale purchase of shares and other securities of the Company (“the Policy”).

Article 2

The Special Panel shall be established by resolution of the Board of Directors.

Article 3

The Special Panel shall consist of three or more members. These members shall be appointed by the Board of Directors from among individuals independent of the management team that runs the Company’s operations, which individuals shall fall into one of the following categories:

- (i) outside directors of the Company;
- (ii) outside corporate auditors of the Company; or
- (iii) outside eminent persons other than the above.

The category “outside eminent persons” excludes individuals falling into Categories (i) or (ii). An outside eminent person must be one of the following; a chief company executive whose company does not have a vested interest in any executive of the Company Group and the Group itself; a former government official; a financial adviser; a lawyer; a certified public accountant; an academic; or the equivalent. An outside eminent person must also have executed an agreement with the Company, in a format to be separately prescribed by the Board of Directors, which includes a due-diligence clause.

Article 4

1. The term of office of Special Panel members shall expire at the end of the Annual General Meeting of Shareholders relating to the last business year to end within one year of their appointment, except if decided otherwise by resolution of the Board of Directors.
2. If a Special Panel member as defined above is an outside director or outside corporate auditor, but later ceases to be a director or corporate auditor, his or her term of office as a member of the Special Panel shall expire at the same time. Nonetheless, if the Special Panel member still fulfills the requirements for being deemed an outside eminent person, the Board of Directors may reappoint him or her to the Special Panel by following the prescribed procedures.

Article 5

1. The Special Panel shall deliberate and decide on the following matters independently of the Board of Directors:
 - (i) whether or not the issue of applicable stock acquisition rights without charge should be implemented;
 - (ii) the cancellation of the issue, without charge, of applicable stock acquisition rights, or the acquisition, without charge, of those rights; and
 - (iii) such other matters as are to be decided by the Board of Directors and are referred by it to the Special Panel.

The Special Panel shall then make a recommendation to the Board of Directors containing the details of its decision, stating also the reasons for it. In reaching that decision, the members of the Special Panel shall consider whether or not the corporate value of the Company and the common interests of its shareholders are best served. Their objective must not be the pursuit of their own personal interests or those of Company management.

2. As the body enshrined in the Corporation Law, the Board of Directors shall pass a resolution deciding, for instance, to issue or not to issue applicable stock acquisition rights without charge, in so far as possible respecting the above recommendation by the Special Panel.
3. In addition to the matters enumerated in Clause 1, the Special Panel shall also be responsible for the following:
 - (i) determining whether the purchase in question merits invoking the Policy;
 - (ii) deciding what information the purchaser and the Board of Directors should provide to the Special Panel, and setting the deadline for doing so;
 - (iii) determining and extending the length of the period for deliberation by the Special Panel;
 - (iv) scrutinizing and analyzing the details of the purchase by the purchaser;
 - (v) negotiating and consulting with the purchaser and others, whether directly or through the Board of Directors;
 - (vi) asking the Board of Directors to submit an alternative plan, examining the alternative plan drawn up by the Board of Directors;
 - (vii) approving revisions or changes to the Policy;
 - (viii) performing such other functions as the Special Panel is authorized to carry out under the Policy; and
 - (ix) performing such functions as the Special Panel is authorized to carry out by the Board of Directors.

Article 6

1. If the Special Panel determines that the information contained in the purchase description falls short of what is required under the Policy, it shall ask the purchaser to submit such additional information as is required under the Policy.
2. Once the purchaser has submitted the purchase description, as well as such additional information as is required under the Policy as per the preceding clause, the Special Panel can ask the Company's Board of Directors to submit, by a reasonable deadline, its opinions on the specifics of the purchase by the purchaser, along with documentation to back them up, an alternative plan, and such other information and data as the Special Panel may deem necessary.

Article 7

1. If it deems it necessary, the Special Panel shall, either directly or through the Board of Directors, consult and negotiate with the purchaser in order to improve the terms of the purchase in the interests of protecting the corporate value of the Company and the common interests of its shareholders.
2. In accordance with the results achieved as per the provisions of the preceding clause, the Special Panel shall present an alternative plan to the shareholders.

Article 8

In order to gather necessary information, the Special Panel can ask the Board of Directors to arrange for the attendance of directors, corporate auditors, executive officers, employees, and any other persons whose attendance the Special Panel deems necessary, and can ask those persons to brief it on such matters as it stipulates.

Article 9

The Special Panel can, at the Company's expense, seek the advice of independent third parties (e.g., financial advisers, certified public accountants, lawyers, consultants, and other experts).

Article 10

Any member of the Special Panel can convene the Special Panel whenever a purchase bid has occurred or at any other time.

Article 11

Resolutions of the Independent Panel shall in principle be adopted by a majority of the members present with all members in attendance. In the absence or disability of a member, however, a resolution can be adopted by a majority of the members present with a majority of members in attendance.

Candidates for the Special Panel

NAKAMURA Nobuo

April 1991	Full-time Lecturer, Faculty of Law, Aichi Gakuin University
April 1994	Assistant Professor, School of Commerce, Waseda University
April 1996	Associate Professor, School of Commerce, Waseda University
April 2001	Professor, School of Commerce, Waseda University and subsequently Professor, Faculty of Commerce, Waseda University (current position)
March 2004	Visiting Researcher, Institute of Advanced Legal Studies, University of London (until March 2005)
August 2007	Outside Director of the Company (retired in August 2008)

SEKINE Chikako

April 1972	Joined Shiseido Yamagata Sales Co., Ltd.
April 2006	General Manager, Osaka Branch of Shiseido Sales Co., Ltd. (currently Shiseido Japan Co., Ltd.)
April 2008	Seconded to Headquarters of d'ici là Co., Ltd. General Manager, Japan Marketing Headquarters of d'ici là Co., Ltd.
October 2009	General Manager, Beauty Consultation Planning Group, International Marketing Department, International Business Division of Shiseido Company, Limited
April 2012	Corporate Officer of Shiseido Company, Limited
April 2014	Corporate Executive Officer of Shiseido Company, Limited
January 2016	Corporate Advisor of Shiseido Company, Limited
April 2018	Representative Director of B-mind Corporation (current position)
June 2018	Outside Director of VALQUA, LTD. (current position)
August 2019	Outside Director of the Company (current position)
June 2021	Outside Director of TOLI Corporation (current position)

MATSUO Shinkichi

April 1991	Joined Mitsubishi Electric Corporation
March 1993	Joined Yokohama City Government
October 1995	Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
April 1999	Registered as a certified public accountant
July 2018	Representative Director of NextLeap Co., Ltd. (current position)
October 2018	Outside Audit & Supervisory Board Member of Amvis Holdings Corporation (current position)
June 2019	Outside Audit & Supervisory Board Member of SEIKAGAKU CORPORATION (current position)
August 2019	Outside Corporate Auditor of the Company (current position)

Proposal No. 4: Presentation of Retirement Benefits to a Retiring Director

The Company proposes to present Mr. IMAI Tetsuo, who will retire from the office of Director at the closing of this General Meeting of Shareholders, with retirement benefits in recognition of his service, within appropriate bounds in accordance with the standards prescribed by the Company. The Company proposes that decisions on the specific amount of the benefits, and the timing and method of its presentation, be delegated to the Board of Directors.

Retirement benefits are presented where Directors have been appropriately involved in the Company's management and strived to fulfill their duties. The amount of these benefits is calculated and paid based on the Company's Officer Retirement Bonus Regulations, and is therefore deemed appropriate.

The career summary of the retiring Director is as follows.

Name		Career summary
IMAI Tetsuo	August 2015	Director of Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) (current position)

Proposal No. 5: Final Payment Pursuant to the Abolition of the Retirement Bonus Plan

As part of a review of the Company's remuneration system for Directors and other officers, the Board of Directors resolved, at a meeting held on July 8, 2022, to abolish the officers' retirement bonus plan.

Consequently, the Company proposes to present two (2) Directors and one (1) Corporate Auditor currently in office with retirement benefits in recognition of their service from the time of their appointment to the close of this General Meeting of Shareholders, within appropriate bounds in accordance with the standards prescribed by the Company.

The Company proposes that these benefits should be presented on the retirement of the respective Directors and Corporate Auditor, and that matters such as the specific timing and method of presentation to the Directors and Corporate Auditor should be delegated to the Board of Directors and discussion between Corporate Auditors, respectively.

Retirement benefits are presented where Directors and Corporate Auditors have been appropriately involved in the Company's management and strived to fulfill their duties. The amount of these benefits is calculated and paid based on the Company's Officer Retirement Bonus Regulations, and is therefore deemed appropriate.

The career summaries of the Directors and Corporate Auditor eligible for the final payment pursuant to the abolition of the officers' retirement bonus plan are as follows.

Name		Career summary
	August 1991	Director of Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.)
AKUTSU Seiichiro	August 2002	President and Representative Director of Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) (current position)
OKADA Ryusuke	August 2018	Director of Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) (current position)
TAMURA Yoshinori	August 2019	Standing Corporate Auditor of Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) (current position)

The Company resolved, at the 82nd Annual General Meeting of Shareholders held on August 23, 2019, to introduce remuneration for granting restricted stock (RS).