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(Securities Code: 7438)

June 1, 2023

To Our Shareholders

Katsuhiko Kondo  
President and Representative Director

**KONDOTEC INC.**

2-2-90, Sakaigawa, Nisi-ku, Osaka-shi, Osaka, Japan

## NOTICE OF THE 71TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We are pleased to announce the 71th Annual General Meeting of Shareholders of KONDOTEC INC. (the “Company”), which will be held as indicated below.

When convening this general meeting of shareholders, the Company has taken measures to provide information that constitutes the content of informational materials for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and has posted this information as “Notice of the 71st Annual General Meeting of Shareholders” on the Company’s website. Please access the Company’s website by using the internet address shown below to review the information.

The Company’s website

<https://www.kondotec.co.jp/en/ir/stocksinfo/meeting.html>



The Company also posts items subject to measures for electronic provision on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information, navigate to the TSE website (Listed Company Search) using the internet address shown below, enter the issue name (Kondotec) or the code (7438), click “Search,” then click “Basic information” and select “Documents for public inspection/PR information.”

Tokyo Stock Exchange website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



**Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights following the instructions provided no later than 5:30 p.m. on Thursday, June 22, 2023. (Japan Time)**

<b>1. Date and Time:</b>	Friday, June 23, 2023, at 10:00 a.m. 【Reception starts at 9:00 a.m.】 (Japan Time)
<b>2. Venue:</b>	5-3-51, Nakanoshima, Kita-ku, Osaka-shi, Osaka, Japan Conference Hall 12th Floor, Osaka International Convention Center (Grand Cube Osaka)
<b>3. Meeting Agenda:</b>	<p><b>Items to be reported:</b></p> <ol style="list-style-type: none"> <li>1. Business Report, Consolidated Financial Statements, and Audit Reports for Consolidated Financial Statements by the Accounting Auditor and the Audit &amp; Supervisory Committee, for the 71th Fiscal Year (from April 1, 2022 to March 31, 2023)</li> <li>2. Non-consolidated Financial Statements for the 71th Fiscal Year (from April 1, 2022 to March 31, 2023)</li> </ol> <p><b>Items to be resolved:</b></p> <p><b>Proposal No. 1</b> Appropriation of Surplus</p> <p><b>Proposal No. 2</b> Election of Ten (10) Directors (Excluding Directors Who Are Audit &amp; Supervisory Committee Members)</p> <p><b>Proposal No. 3</b> Election of One (1) Director Who Is an Audit &amp; Supervisory Committee Member</p> <p><b>Proposal No. 4</b> Continuation of Measures to Respond to a Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)</p>

◎ In principle, the Company requires shareholders to navigate to the aforementioned website to access items subject to measures for electronic provision, in accordance with the revised Companies Act, and delivers paper-based documents only to shareholders who have requested delivery of paper-based documents. However, for this general meeting of shareholders all shareholders will be sent paper-based documents consisting of items subject to measures for electronic provision irrespective of whether delivery of paper-based documents has been requested.

However, in accordance with laws and regulations and Article 15, item 2 of the Articles of Incorporation of the Company, the following items from among those subject to measures for electronic provision will not be included in the paper-based documents sent.

- 1) “System to Ensure the Appropriateness of Business,” “Overview of Status of System to Ensure the Appropriateness of Business,” and “Basic Policy on Control of the Company” in the Business Report
- 2) “Consolidated Statement of Changes in Shareholders’ Equity” and “Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements
- 3) “Non-consolidated Statement of Changes in Shareholders’ Equity” and “Notes to the Non-consolidated Financial Statements” of the Non-consolidated Financial Statements

Accordingly, the documents that are delivered to shareholders are part of what was audited by the Financial Auditor and the Audit and Supervisory Committee in preparing their respective audit reports.

◎ If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be promptly posted on the Company’s website and the TSE website.

**No gifts will be provided for shareholders in attendance.**

**We thank you for your understanding in that regard.**

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Information

<b>Proposal No. 1</b>	<b>Appropriation of Surplus</b>
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The Company proposes to appropriate surplus as follows.

#### **Matters related to year-end dividends**

The Company regards return of profits to shareholders as an important management policy makes an effort to improvement of earning capacity, as well as works on improvement of the capital efficiency, while also planning for expansion of a strategic investment by M&A and an aggressive business investment for growth.

In terms of dividends, while fully taking into account both the consolidated operating results and the consolidated dividend payout ratio, we have the basic policy to increase dividends to shareholders continuously, targeting dividend on equity (DOE) of 2.5% or higher.

We have adopted DOE, the ratio of dividends returned from net assets, as a benchmark for ensuring consistent dividends regardless of temporary fluctuations in profits. Moreover, the KONDOTEC Group also strives to achieve return on equity (ROE), a benchmark of capital efficiency, of 10% or higher. Accordingly achieving this aim enables us to generate profits above a certain level each fiscal year. That culminates in higher consolidated net assets, which form the basis for determining the dividend, thereby making it possible for us to continuously increase dividends.

With respect to the year-end dividend for the current fiscal year, we seek to express our gratitude to our shareholders for their ongoing support by increasing the dividend by ¥ 1 relative to that of the previous fiscal year to ¥ 17 per share, having taken into account our earnings results and other such factors. This results in annual dividends of ¥ 34 per share in conjunction with the interim dividend of ¥ 17 per share previously paid.

<b>Category of dividend assets</b>	Cash
<b>Allotment of dividend property and their aggregate amount</b>	¥ 17 per share of the Company common stock Total dividends: ¥ 433,151,126
<b>Effective date of dividends of surplus</b>	June 26, 2023

**Proposal No. 2****Election of Ten (10) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**

The terms of office of all ten (10) currently serving Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this meeting.

Accordingly, the Company proposes the election of ten (10) Directors.

The Company's Audit & Supervisory Committee deems that all of the Director Candidates are qualified with respect to this proposal.

The candidates for Director are as follows:

Candidate No	Name	Position and Responsibilities at the Company	Remarks
1	<b>Katsuhiko Kondo</b>	President and Representative Director	<u>Reappointment</u>
2	<b>Hiroyuki Yada</b>	Senior Executive Director, General Manager of Management Headquarters, Manager of General Affairs Division, and Manager of Business Strategy Department	<u>Reappointment</u>
3	<b>Noboru Hamano</b>	Executive Director, General Manager of Sales Headquarters	<u>Reappointment</u>
4	<b>Kazuyuki Asakawa</b>	Director, Manager of Eastern Japan Sales Division and Manager of Tokyo Branch	<u>Reappointment</u>
5	<b>Kazuhiro Ishino</b>	Director, Manager of Western Japan Sales Division, Manager of Development Sales Division, and Manager of E-commerce Group	<u>Reappointment</u>
6	<b>Tomoyuki Ejiri</b>	Director President and Representative Director, Nippon Scaffolding Holdings Co., Ltd. Representative Director and Chairman, TOKAI STEP CO., LTD.	<u>Reappointment</u>
7	<b>Yasushi Ishibashi</b>	Executive Officer, Manager of Kyusyu Factory	<u>New Appointment</u>
8	<b>Soichi Furuta</b>	Executive Officer, Manager of International Sales Division	<u>New Appointment</u>
9	<b>Michiko Kanai</b>	Outside Director	<u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u>
10	<b>Takashi Maruyama</b>	Outside Director	<u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u>

No.	Name (Date of birth)	Past experience, positions and responsibilities [significant concurrent positions]	Number of shares of the Company held
1	<p data-bbox="220 678 399 712">Reappointment</p> <p data-bbox="207 719 454 752"><b>Katsuhiko Kondo</b></p> <p data-bbox="220 763 442 797">(November 8, 1959)</p>	<p data-bbox="466 259 852 293">June 1984 Joined the Company</p> <p data-bbox="466 322 1091 356">July 1988 Manager of Saitama Office, the Company</p> <p data-bbox="466 385 1114 418">Jan. 1991 Manager of Kitakanto Office, the Company</p> <p data-bbox="466 448 1219 481">June 1992 Director, Manager of Kitakanto Office, the Company</p> <p data-bbox="466 510 1238 544">Mar. 1999 Director, Manager of Yokohama Branch, the Company</p> <p data-bbox="466 573 1233 607">June 2002 Director, Manager of Delivery Division, the Company</p> <p data-bbox="466 636 1235 669">Oct. 2007 Director, Manager of Planning Division, the Company</p> <p data-bbox="466 698 1337 752">Apr. 2010 Director, the Company Vice President and Representative Director, Sanwa Denzai Co., Ltd.</p> <p data-bbox="466 768 1331 801">June 2011 President and Representative Director, Sanwa Denzai Co., Ltd.</p> <p data-bbox="466 831 1134 864">Jan. 2013 Director, In charge of Planning, the Company</p> <p data-bbox="466 893 1337 947">June 2013 President and Representative Director, the Company (current position)</p> <p data-bbox="466 976 995 1010">June 2021 Director, Sanwa Denzai Co., Ltd.</p> <p data-bbox="466 1039 1147 1072">Oct. 2021 Director, KURIYAMA ALUMINUM Co., Ltd.</p> <p data-bbox="466 1102 987 1196">[Significant concurrent positions] Representative Director, Towa Kosan Corp. Representative Director, Toto Kosan INC.</p>	162,232 shares
<p data-bbox="220 1227 798 1261">[Reasons for nomination as candidate for Director]</p> <p data-bbox="220 1272 1509 1429">Katsuhiko Kondo has engaged in sales, logistics, planning and other operations since joining the Company in 1984, and has extensive experience otherwise that includes serving as Representative Director of Sanwa Denzai Co., Ltd. in conjunction with the Company having made wholesaler of electric equipment Sanwa Denzai Co., Ltd. a subsidiary.</p> <p data-bbox="220 1440 1509 1563">The Company has renominated him as a Director candidate, given that he performs his professional duties as serving as President and Representative Director and having deemed that he is an individual who helps the Company sustainably increase its corporate value.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities [significant concurrent positions]	Number of shares of the Company held
2	<p data-bbox="220 779 435 898"><u>Reappointment</u> <b>Hiroyuki Yada</b> (July 15, 1962)</p>	<p data-bbox="466 259 1340 1193"> Apr. 1985 Joined the Company  June 2006 Manager of Yokohama Branch, the Company  June 2011 Manager of Delivery Division, the Company  Executive Officer, Manager of Delivery Division, the Company  Apr. 2013 Executive Officer, Manager of Western Japan Sales Division,  the Company  June 2016 Director, Manager of Western Japan Sales Division, the Company  Apr. 2018 Director, Manager of Western Japan Sales Division and  Manager of Business Strategy Department, the Company  June 2019 Director, General Manager of Sales Headquarters, Manager of  Western Japan Sales Division, and Manager of Business  Strategy Department, the Company  June 2020 Executive Director, General Manager of Sales Headquarters,  Manager of Western Japan Sales Division, and Manager of  Business Strategy Department, the Company  June 2021 Director, FUKOKU, Ltd. (current position)  Director, TOKAI STEP CO., LTD. (current position)  Director, TECBUILD CO., LTD. (current position)  Director, Nippon Scaffolding Holdings Co., Ltd. (current position)  Senior Executive Director, General Manager of Management  Headquarters, Manager of General Affairs Division, and  Manager of Business Strategy Department, the Company  (current position) </p> <p data-bbox="466 1211 1018 1402"> [Significant concurrent positions]  Director, Nippon Scaffolding Holdings Co., Ltd.  Director, TECBUILD CO., LTD.  Director, TOKAI STEP CO., LTD.  Director, FUKOKU, Ltd. </p>	38,800 shares
<p data-bbox="220 1429 1509 1675"> [Reasons for nomination as candidate for Director]  Hiroyuki Yada has extensive experience particularly engaging in sales, logistics and management operations since joining the Company in 1985.  The Company has renominated him as a Director candidate, given that he performs his professional duties serving as General Manager of Management Headquarters and having deemed that he is an individual who helps the Company sustainably increase its corporate value. </p>			

No	Name (Date of birth)	Past experience, positions and responsibilities [significant concurrent positions]	Number of shares of the Company held
3	<p><u>Reappointment</u></p> <p><b>Noboru Hamano</b> (June 12, 1970)</p>	<p>Apr. 1993 Joined the Company</p> <p>Mar. 1999 Manager of Kitakanto Office, the Company</p> <p>Aug. 2000 Manager of Kanagawa Office, the Company</p> <p>Apr. 2003 Manager of Keiji Office, the Company</p> <p>Sep. 2012 Manager of Sanyo Office, the Company</p> <p>Apr. 2017 Manager of Kansai Branch, the Company</p> <p>June 2018 Executive Officer, Manager of Structural Steel Sales Division and Manager of Kansai Branch, the Company</p> <p>Apr. 2020 Executive Officer, Manager of Structural Steel Sales Division, the Company</p> <p>June 2020 Director, Manager of Structural Steel Sales Division, the Company</p> <p>June 2021 Executive Director, General Manager of Sales Headquarters and Manager of Structural Steel Sales Division, the Company</p> <p>Apr. 2023 Executive Director, General Manager of Sales Headquarters, the Company (current position)</p>	22,700 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Noboru Hamano has extensive experience particularly engaging in sales operations since joining the Company in 1993.</p> <p>The Company has renominated him as a Director candidate, given that he performs his professional duties serving as General Manager of Sales Headquarters and having deemed that he is an individual who helps the Company sustainably increase its corporate value.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities [significant concurrent positions]	Number of shares of the Company held
4	<u>Reappointment</u> <b>Kazuyuki Asakawa</b> (December 24, 1967)	Apr. 1990    Joined the Company  July 2004    Manager of Takamatsu Office, the Company  June 2011    Manager of Osaka Branch, the Company  Oct. 2017    Manager of Tokyo Branch, the Company  June 2018    Executive Officer, Manager of Eastern Japan Sales Division and Manager of Tokyo Branch, the Company  June 2019    Director, Manager of Eastern Japan Sales Division and Manager of Tokyo Branch, the Company (current position)	19,900 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Kazuyuki Asakawa has extensive experience particularly engaging in sales operations since joining the Company in 1990.</p> <p>The Company has renominated him as a Director candidate, given that he performs his professional duties serving as Manager of Eastern Japan Sales Division and having deemed that he is an individual who helps the Company sustainably increase its corporate value.</p>			



No.	Name (Date of birth)	Past experience, positions and responsibilities [significant concurrent positions]	Number of shares of the Company held
5	<p><u>Reappointment</u> <b>Kazuhiro Ishino</b> (October 11, 1967)</p>	<p>Feb. 1990 Joined the Company</p> <p>Apr. 2006 Manager of Akita Office, the Company</p> <p>June 2011 Manager of Niigata Office, the Company</p> <p>Apr. 2014 Manager of Niigata Branch, the Company</p> <p>June 2020 Manager of Delivery Division, the Company</p> <p>June 2021 Director, CHUOH GIKEN Co., Ltd. (current position) Executive Officer, Manager of Western Japan Sales Division, the Company</p> <p>Apr. 2022 Executive Officer, Manager of Western Japan Sales Division and Manager of Development Sales Division, the Company</p> <p>June 2022 Director, Sanwa Denzai Co., Ltd. (current position) Director, KURIYAMA ALUMINUM Co., Ltd. (current position) Director, Manager of Western Japan Sales Division and Manager of Development Sales Division, the Company</p> <p>Apr. 2023 Director, Manager of Western Japan Sales Division, Manager of Development Sales Division, and Manager of E-commerce Group, the Company (current position)</p> <p>[Significant concurrent positions] Director, Sanwa Denzai Co., Ltd. Director, CHUOH GIKEN Co., Ltd. Director, KURIYAMA ALUMINUM Co., Ltd.</p>	16,300 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Kazuhiro Ishino has extensive experience particularly engaging in sales and logistics operations since joining the Company in 1990.</p> <p>The Company has renominated him as a Director candidate, given that he performs his professional duties serving as Manager of Western Japan Sales Division and Manager of Development Sales Division having deemed that he is an individual who helps the Company sustainably increase its corporate value.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities [significant concurrent positions]	Number of shares of the Company held
6	<p data-bbox="220 607 440 730"><u>Reappointment</u> <b>Tomoyuki Ejiri</b> (August 30, 1965)</p>	<p data-bbox="464 259 1337 1055"> Apr. 1988 Joined the Company  Oct. 1998 Manager of Shizuoka Office, the Company  Jan. 2002 Manager of Kanazawa Office, the Company  Oct. 2007 Manager of Fukuoka Branch, the Company  Apr. 2013 Manager of Delivery Division, the Company  June 2015 Manager of International Division, the Company  June 2016 Executive Officer, Manager of International Division, the Company  June 2019 Director, Manager of International Division, the Company  Feb. 2020 Director, the Company (current position)  Representative Director and Chairman, TOKAI STEP CO., LTD. (current position)  Apr. 2021 President and Representative Director, Nippon Scaffolding Holdings Co., Ltd. (current position)  [Significant concurrent positions]  President and Representative Director, Nippon Scaffolding Holdings Co., Ltd.  Representative Director and Chairman, TOKAI STEP CO., LTD. </p>	21,900 shares
<p data-bbox="220 1093 1508 1335"> [Reasons for nomination as candidate for Director]  Tomoyuki Ejiri has extensive experience particularly engaging in sales, logistics, and international operations, and subsidiary management since joining the Company in 1988.  The Company has renominated him as a Director candidate, given that he performs his professional duties serving as Representative Director of subsidiaries and having deemed that he is an individual who helps the Company sustainably increase its corporate value. </p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities [significant concurrent positions]	Number of shares of the Company held
7	<p><u>New Appointment</u></p> <p><b>Yasushi Ishibashi</b> (April 24,1969)</p>	<p>Apr. 1992 Joined the Company</p> <p>July 1997 Manager of Toukai Office, the Company</p> <p>Oct. 2001 Manager of Chukyo Office, the Company</p> <p>Apr. 2009 Manager of Chukyo Branch, the Company</p> <p>Apr. 2013 Manager of Shiga Plant, the Company</p> <p>June 2016 Executive Officer, Manager of Shiga Factory, the Company</p> <p>Oct. 2017 Executive Officer, Manager of Kanto Factory, the Company</p> <p>Oct. 2021 Executive Officer, the Company</p> <p>President and Representative Director, KURIYAMA ALUMINUM Co., Ltd.</p> <p>Oct. 2022 Executive Officer, Manager of Kyusyu Factory, the Company (current position)</p>	20,500 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Yasushi Ishibashi has extensive experience particularly engaging in sales, and subsidiary management since joining the Company in 1992.</p> <p>The Company has newly nominated him as a Director candidate, given that he performs his professional duties serving as Manager of Kyusyu Factory and having deemed that he is an individual who helps the Company sustainably increase its corporate value.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities [significant concurrent positions]	Number of shares of the Company held
8	<u>New Appointment</u> <b>Soichi Furuta</b> (September 17,1968)	Apr. 1991 Joined the Company  Mar. 2019 Managing Director, KONDOTEC INTERNATIONAL (THAILAND) Co.,LTD. (current position)  June 2019 Executive Officer, of the Company  Mar. 2020 Executive Officer, Manager of International Sales Division, the Company (current position)  [Significant concurrent positions] Managing Director, KONDOTEC INTERNATIONAL (THAILAND) Co.,LTD.	6,600 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Soichi Furuta has extensive experience particularly engaging in international operations and subsidiary management since joining the Company in 1991.</p> <p>The Company has newly nominated him as a Director candidate, given that he performs his professional duties serving as Manager of International Sales Division and having deemed that he is an individual who helps the Company sustainably increase its corporate value.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities [significant concurrent positions]	Number of shares of the Company held
9	<div data-bbox="220 577 395 611" style="border: 1px solid black; padding: 2px;">Reappointment</div> <div data-bbox="220 618 312 651" style="border: 1px solid black; padding: 2px;">Outside</div> <div data-bbox="220 658 363 692" style="border: 1px solid black; padding: 2px;">Independent</div> <p data-bbox="228 705 437 786"><b>Michiko Kanai</b> (June 16, 1955)</p>	<p data-bbox="464 259 1337 349">Apr. 1990 Register Lawyer Joined OH-EBASHI LAW OFFICES (current OH-EBASHI LPC &amp; PARTNERS)</p> <p data-bbox="464 360 1046 394">Apr. 1998 OH-EBASHI LAW OFFICES partner</p> <p data-bbox="464 421 1297 454">Aug. 2002 OH-EBASHI LPC &amp; PARTNERS partner (current position)</p> <p data-bbox="464 481 1337 548">June 2007 Outside Audit &amp; Supervisory Board Member, USJ Co., Ltd. (current USJ LLC.)</p> <p data-bbox="464 560 1337 667">June 2015 Outside Director, the Company (current position) Outside Audit &amp; Supervisory Board Member, SANKYO SEIKO CO., Ltd. (current position)</p> <p data-bbox="464 678 1090 712">June 2016 Outside Director, IDEC CORPORATION</p> <p data-bbox="464 739 1337 806">June 2018 Outside Director (Audit &amp; Supervisory Committee member), IDEC CORPORATION (current position)</p> <p data-bbox="464 817 1329 851">June 2020 Outside Director, AS ONE CORPORATION (current position)</p> <p data-bbox="464 884 1337 1075">[Significant concurrent positions] Lawyer (OH-EBASHI LPC &amp; PARTNERS partner) Outside Audit &amp; Supervisory Board Member, SANKYO SEIKO CO., Ltd. Outside Director (Audit &amp; Supervisory Committee member), IDEC CORPORATION Outside Director, AS ONE CORPORATION</p>	5,700 shares
<p data-bbox="220 1111 1278 1144">[Reasons for nomination as candidate for Outside Director and overview of role expectations]</p> <p data-bbox="220 1155 1509 1312">Michiko Kanai is qualified when it comes to independence in furnishing management oversight and providing advice from an objective standpoint taking into account the corporate world as a whole including laws and regulations, drawing on her experience and insight as an attorney at law who is well-versed in fields that include M&amp;A as well as cross-border transactions and intellectual property rights.</p> <p data-bbox="220 1323 1509 1435">The Company has renominated her as an Outside Director candidate upon having accordingly deemed that her involvement will lead to improved transparency and reinforcement of the supervisory function with respect to the Board of Directors.</p> <p data-bbox="220 1447 1509 1559">Although she has not been involved in corporate management except as an outside executive, the Company deems her capable of appropriately executing her professional duties as an Outside Director for the aforementioned reasons.</p> <p data-bbox="220 1570 1509 1727">Moreover, the Company intends to enlist her involvement from a standpoint of objectivity and neutrality serving as a member of the Nomination and Compensation Committee, with respect to nominating the Company's executive candidates as well as determining executive remuneration and other such matters, subject to her appointment.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities [significant concurrent positions]	Number of shares of the Company held
10	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">Independent</div> <b>Takashi Maruyama</b> (June 23, 1948)	June 2004 Representative Director and President, Shima Spain Village Co., Ltd. Mar. 2006 Director and President, Kintetsu Leisure Service Co., Ltd. June 2007 Executive Director, Kintetsu Railway Co., Ltd. Apr. 2011 Representative Director and President, Kin-Ei Corp. June 2017 Representation Director and President, KNT-CT Holdings Co., Ltd. June 2019 Representative Director and Chairman, KNT-CT Holdings Co., Ltd. June 2021 Outside Director, the Company (current position)	—
<p>[Reasons for nomination as candidate for Outside Director and overview of role expectations]</p> <p>Takashi Maruyama has extensive experience related to corporate management particularly engaging in corporate management for the Kintetsu Group, and the Company has nominated him as an Outside Director candidate upon having accordingly deemed that his useful advice and recommendations regarding the management of the Company will lead to increase the Company's corporate value.</p> <p>Moreover, the Company intends to enlist his involvement from a standpoint of objectivity and neutrality serving as a member of the Nomination and Compensation Committee, with respect to nominating the Company's executive candidates as well as determining executive remuneration and other such matters, subject to his appointment.</p>			

(Notes)

1. There are no special interests between each candidate and the Company.
2. The Company has submitted to the Tokyo Stock Exchange an Independent Directors/Auditors Notification listing Outside Director candidates Michiko Kanai and Takashi Maruyama as independent executives.
3. Number of years since having assumed the post of Outside Directors of the Company (as of the conclusion of this General Meeting of Shareholders)
  - Michiko Kanai 8 years
  - Takashi Maruyama 2 years
4. The Company has entered into limited liability agreements with Michiko Kanai and Takashi Maruyama effectively stating that their liability shall be limited to an amount stipulated by law regarding liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act. The limited liability agreements are to remain in effect, subject to approval of their reappointment.
5. The Company has entered into a liability insurance policy for directors and officers with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. Content of the insurance policy is as described in the Business Report. Any Director candidate whose appointment gains approval is to be listed as an insured party under the insurance policy. Moreover, the Company intends to leave the content of the insurance policy unchanged upon its next renewal.

**Proposal No. 3**

**Election of One (1) Director Who Is an Audit & Supervisory Committee Member**

As the terms of office of one (1) Director who is an Audit & Supervisory Committee Member, Minako Yamaoka, will expire at the conclusion of this General Meeting of Shareholders, the Company proposes the election of one (1) Director who is an Audit & Supervisory Committee Member.

The Company has gained prior consent of the Audit & Supervisory Committee for the submission of this proposal. The candidate for Director who is an Audit & Supervisory Committee Member is as follows:

Name (Date of birth)	Past experience, positions and responsibilities [significant concurrent positions]	Number of shares of the Company held
<p>Reappointment Outside Independent</p> <p><b>Minako Yamaoka</b> (April 7, 1959)</p>	Jan. 1998 General Manager of Product Planning and Development Department, Cosmetics Business Department, FANCL CORPORATION	800 shares
	May 2004 General Manager of Mail Order Department, Sales Division, FANCL CORPORATION	
	Apr. 2007 Executive Officer, and General Manager of Sales Planning Division, FANCL CORPORATION	
	Nov. 2007 Executive Officer and Director, and President of Cosmetics Company, FANCL CORPORATION	
	May 2010 Executive Officer and Director, and General Manager of Business Development Promotion Division and General Manager of New Business Development Department, FANCL CORPORATION	
	Mar. 2013 Senior Managing Director, and President of Cosmetics Company, FANCL CORPORATION	
	Apr. 2014 Senior Managing Director, FANCL CORPORATION President and Representative Director, FANCL COSMETICS CORPORATION	
	Apr. 2017 Senior Managing Director in charge of New Business Format Development, FANCL CORPORATION	
	July 2018 Adviser, FANCL CORPORATION	
	May 2020 Director in charge of CMM Business, And's Corporation	
	Mar. 2021 Outside Director, NICCA CHEMICAL CO., LTD. (current position)	
June 2021 Outside Director (Audit & Supervisory Committee member), the Company (current position)		
[Significant concurrent positions] Outside Director, NICCA CHEMICAL CO., LTD.		

[Reasons for nomination as candidate for Director (Audit & Supervisory Committee Member)]

Minako Yamaoka has extensive experience related to corporate management including experience regarding the professional duties listed above at FANCL CORPORATION. The Company has renominated her as a candidate for Outside Director who is an Audit & Supervisory Committee Member given expectations that she will be capable of performing the role of Outside Director who is an Audit & Supervisory Committee Member by providing advice and oversight based on experience that she has accumulated throughout her career.

(Notes)

1. There are no special interests between the candidate and the Company
2. The Company has submitted to the Tokyo Stock Exchange an Independent Directors/Auditors Notification listing Outside Director candidate Minako Yamaoka as an independent executive.
3. Number of years since having assumed the post of Outside Director (Audit & Supervisory Committee Member) of the Company (as of the conclusion of this General Meeting of Shareholders)  
Minako Yamaoka 2 years

4. The Company has entered into limited liability agreements with Minako Yamaoka effectively stating that their liability shall be limited to an amount stipulated by law regarding liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act. The limited liability agreements are to remain in effect, subject to approval of their reappointment.
  5. The Company has entered into a liability insurance policy for directors and officers with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. Content of the insurance policy is as described in the Business Report. Any Directors who are Audit & Supervisory Committee Members candidate whose appointment gains approval is to be listed as an insured party under the insurance policy.
- Moreover, the Company intends to leave the content of the insurance policy unchanged upon its next renewal.



**(Reference) Skill matrix for Directors and Audit & Supervisory Committee Members after the conclusion of this general meeting of shareholders**

	Name	Gender	Managerial experience	Sales & Marketing	Manufacturing & Procurement	Finance & Accounting	Legal affairs & Risk management
<b>Directors</b>							
	Katsuhiko Kondo	Male	○	○	○		
	Hiroyuki Yada	Male		○	○		
	Noboru Hamano	Male		○			
	Kazuyuki Asakawa	Male		○			
	Kazuhiro Ishino	Male		○	○		
	Tomoyuki Ejiri	Male	○	○	○		
	Yasushi Ishibashi	Male	○	○	○		
	Soichi Furuta	Male	○	○			
	Michiko Kanai	Outside Female					○
	Takashi Maruyama	Outside Male	○	○			
<b>Directors who are Audit &amp; Supervisory Committee Members</b>							
	Norio Nishida	Male				○	
	Kana Yasuda	Outside Female				○	
	Taku Tokuda	Outside Male					○
	Minako Yamaoka	Outside Female	○	○			

Note: It does not represent all of the expertise and experience possessed by each Director and each Director who is Audit & Supervisory Committee Member.

At the 56th Annual General Meeting of Shareholders of the Company held on June 27, 2008, the Company received approval from shareholders to introduce “Measures to Respond to a Large-Scale Purchase of the Company's Share Certificates, etc. (Takeover Defense Measures).”

Subsequently, at the 68th Annual General Meeting of Shareholders of the Company held on June 24, 2020, the Company received approval from shareholders to continue these measures (hereinafter, the measures for which approval to continue was received at the 68th Annual General Meeting of Shareholders of the Company are referred to as “the previously approved plan”).

Because the effective period of the previously approved plan expires at the conclusion of this Annual General Meeting of Shareholders, the Company has considered its approach from the perspective of ensuring and enhancing corporate value and the common interests of shareholders, including whether or not to continue the measures, and after taking into account various developments related to takeover defense measures.

As a result, the Board of Directors resolved at a meeting held on May 12, 2023, to continue measures to respond to a large-scale purchase of the Company's shares (takeover defense measures), conditional on the approval of shareholders being received at this Annual General Meeting of Shareholders (hereinafter, the continuing measures to respond to a large-scale purchase of the Company's shares (takeover defense measures) are referred to as “this Plan”).

Therefore, the Company requests approval for the continuation of this Plan in accordance with Article 18 of the Articles of Incorporation of the Company.

The meeting of the Board of Directors that decided this Plan was attended by all four Directors who are Audit & Supervisory Committee Members, including three Outside Directors, who expressed opinions to the effect that they deem this Plan to be a reasonable measure in relation to large-scale purchases of the Company's shares.

In addition, although there have been corrections to the wording in preparation for the continuation of this Plan, these are formalities and substance of the content is unchanged.

## **I Basic policy on persons who control decisions on financial and business policies of the Company**

As a party whose shares are listed on a stock exchange, the Company respects free trading of shares of the Company in the market and would not unconditionally reject a large-scale purchase of shares of the Company by a particular party as long as it contributes to the protection and enhancement of the corporate value of the Company and in turn to the common interests of shareholders. The Company also believes that whether to accept a proposal for a large-scale purchase of shares is a matter that should ultimately be decided by its shareholders.

However, there may be a proposal for a large-scale purchase of shares that could undermine the corporate value of the Company and eventually the common interests of shareholders by, for example, potentially preventing the Company from maintaining a good relationship with its stakeholders, by not sufficiently reflecting the value of the Company, or by not providing sufficient information required by shareholders to make a final decision.

The Board of Directors of the Company believes that when such a proposal is made, it is the responsibility of the board as a body mandated by its shareholders to secure necessary time and information and to negotiate with the party who engages in the large-scale purchase on behalf of its shareholders.

## **II Initiatives contributing to the implementation of the basic policy**

### **1. The Company's source of corporate value**

The Company was founded in 1947 in the Taisho ward of Osaka city, and is engaged mainly in the manufacture and sale of hardware for ships, but as Japan's economy shifted into the high-speed growth era, the proportion of materials for use in construction increased. Since opening its No.1 store in Tokyo in 1957 with

the aim of opening up new markets and expanding the business, the Company has sought to grow through the manufacture and sale of infrastructure-related materials to a wide range of industries, including civil engineering and construction, logistics, ships, electric power, railways, forestry management, agriculture and horticulture, information technology, environmental and greening, and industrial waste treatment.

The source of the Company’s corporate value over the development of its business thus far has been the “customer-first” policy that has been in place since the foundation of the Company, and the way it has responded astutely to customer needs and maintained its position as a supplier that customers cannot do without by engaging actively in the supply of materials and the enhancement of infrastructure in a range of industries, beginning with civil engineering and construction, as well as providing products, merchandise, and services.

The fundamentals of this approach are as follows.

- 1) A nationwide network of sales offices that enables us to quickly capture customer needs
- 2) Planning/development and engineering capabilities that enable our development and manufacturing divisions to respond speedily to customer needs
- 3) Inventories maintained at sales offices nationwide to enable prompt supply to customers, and a system for enabling their quick delivery
- 4) An abundant lineup of more than 50,000 items of merchandise that enable us to respond to customer needs

## 2. Initiatives to enhance corporate value

In order to maintain and strengthen the above-mentioned source of our corporate value, we believe that the Company must not only remain trusted by customers and continue to provide satisfactory products, merchandise and services, but must also develop and manufacture products and merchandise that respond to rising interest in the environment on the part of customers.

In these circumstances, in addition to further strengthening the earnings capability of the existing core businesses, the Company will respond to changes in the business environment by expanding into areas of business with growth prospects, and seeking to enhance corporate value over the medium to long term.

Specifically, this calls for the following.

- 1) We believe that further refining the Company’s technology for the manufacture of infrastructure-related materials used in our core market of civil engineering and construction, as well in logistics, ships, electric power, railways, forestry management, agriculture and horticulture, and information technology, will lead to enhancements in the Kondo brand. By ensuring that development, manufacture and sales work together as one to respond astutely to changes in the market, we seek to enhance the corporate value of the Company and protect the common interests of shareholders.
- 2) The Company aims to expand in new types of business, such as environmental and greening, and industrial waste treatment. Through the supply of such items as large and weatherproof sandbags used in operations to remove radioactive substances, and container bags used for collecting and conveying industrial waste, we will work to create corporate value in areas related to conserving and improving the environment, such as environment and greening, industrial waste treatment, and disaster recovery-related business, and so raise the brand value of the Company.
- 3) The Company is developing the business in areas with prospects for growth (overseas markets; maintenance and repair construction work driven by deteriorating social infrastructure; labor-saving businesses growing in response to labor shortages and workstyle reforms, etc.), as follows.

2010	Acquired shares of Sanwa Denzai Co., Ltd., a wholesaler of electrical equipment, to make it a subsidiary with the objective of developing the business in environmental and eco-related areas such as LED lighting
2012	Established a local subsidiary in Thailand for the purpose of expanding the business in ASEAN countries

2014	Acquired shares of CHUOH GIKEN Co., Ltd., which designs and manufactures labor-saving and other equipment, to make it a subsidiary with the objective of expanding the business in the industrial automation and labor-saving fields
2016	Acquired the “ALPS BRAND iron pulley” manufacturing business from Akinaga Factory Co., Ltd., with the objective of enhancing products and services
2018	Concluded a business and capital alliance with N.PAT Co., Ltd., which manufactures and sells construction hardware centered on post-construction anchor bolts, with the objective of expanding sales of high value-added products
2019	Acquired a labor-saving and image processing equipment business from Mechatro Engineering Co., Ltd., with the goal of strengthening our offerings in the industrial automation and labor-saving fields
	Acquired shares of Hirose Kosan Co., Ltd. (now TECBUILD CO., LTD.), which is involved in the business of assembly, disassembly and rental of scaffolding, etc., to make it a subsidiary with the objective of developing the area of maintenance and repair construction work driven by deteriorating social infrastructure
2020	Acquired the shares of TOKAI STEP CO., LTD., which is engaged in the business of assembly and disassembly of scaffolding, etc., to make it a subsidiary with the objective of expanding this business
2021	Acquired the shares of FUKOKU, Ltd. which is engaged in the business of assembly and disassembly of scaffolding, etc., to make it a subsidiary with the objective of expanding this business
	Established Nippon Scaffolding Holdings Co., Ltd. as an intermediate holding company to supervise the subsidiaries involved in the business of assembly and disassembly of scaffolding, etc. with the objective of strengthening cooperation between them
	Acquired the shares of KURIYAMA ALUMINUM Co., Ltd., which manufactures and sells aluminum extrusions, etc., to make it a subsidiary, with the objective of adding aluminum products for which demand is predicted to increase to the lineup of merchandise handled by the Group

Going forward, we will continue to work on developing the business through acquisitions, capital and business alliances with other companies, and other initiatives.

- 4) The Company has obtained permission to display the JIS mark and acquired ISO9001 certification for its construction turnbuckles, anchor bolts and other mainstay products at all of its factories, supplies high-quality products based on a high level of production engineering, and strives to enhance its new-product development capabilities.

In addition to enhancing quality and development capabilities, we are promoting activities that take into account environmental conservation, such as by obtaining ISO14001 certification for environmental management systems at all of our factories.

### **3. Strengthening corporate governance and returns to shareholders, etc.**

The Company realizes that strengthening and enhancing corporate governance to improve the soundness, transparency, and efficiency of management and raise corporate value is one of the most important management issues that it faces.

In order to raise the transparency and efficiency of management as part of improvements to corporate governance, the Company has appointed two (2) Outside Directors with track records as attorneys at law and corporate managers, who provide management advice based on abundant experience and wide-ranging insights. In addition, fair and objective oversight that leverages specialized knowledge and experience is achieved through the work of four (4) Directors who are Audit & Supervisory Committee Members, of whom three (3)

are Outside Directors with experience as attorneys at law, certified public accountants, and managers of other companies. As an internal audit department reporting directly to the President, the Company has established Internal Audit Department that periodically audits the state of operational processes, compliance, and risk management in each division, and validates their appropriateness. In order to share auditing information, the results of internal audits are reported to the Audit Report Meeting, which is also attended by Directors who are Audit & Supervisory Committee Members.

Next, the Company has designated returns to shareholders an important management measure, and its policy is to implement returns of profits to shareholders that are commensurate with financial results, while seeking to improve profits and enhance corporate value. In the 27 years between the listing of the Company in 1995 and the fiscal year ended March 31, 2022, the Company has raised the annual dividend 19 times in accordance with improvements in results. The Company has also actively implemented share buybacks. Going forward, it is our intention to continue to take an active approach to shareholder returns, in accordance with the basic policy.

By implementing the various measures described above, the Company seeks to enhance corporate value and in turn protect the common interests of shareholders.

### **III Measures to prevent decisions on financial and business policies of the Company from being controlled by inappropriate parties in the context of its basic policy**

#### **1. Outline and purpose of this Plan**

The Board of Directors of the Company decided to continue this Plan for the purpose of clarifying the rules to be adhered to by a party intending to carry out a large-scale purchase of shares of the Company and securing information and time that are necessary and sufficient for shareholders and investors to make an appropriate decision as well as the opportunity to negotiate with the party intending to carry out such a large-scale purchase.

As outlined below, this Plan establishes rules to be adhered to by a party intending to carry out a large-scale purchase of shares of the Company, clarifies that in certain cases, the party intending to carry out a large-scale purchase may sustain a loss as the Company takes countermeasures, and warns the party intending to carry out a large-scale purchase of shares of the Company that will not contribute to the Company's corporate value and eventually the common interests of shareholders by appropriately disclosing such rules and clarifications.

In exercising countermeasures under this Plan and taking other similar actions, the Company will, in accordance with the Independent Committee Regulations (for the outline of the Regulations, see Appendix 1), respect the recommendations of an independent committee solely consisting of Outside Directors of the Company or outside experts (senior corporate executives with proven track records, ex-government officials, attorneys at law, certified public accountants, persons with academic experience or persons equivalent thereto) who are independent from the senior executives in charge of business execution of the Company (hereinafter "the Independent Committee") to the maximum extent in order to preclude any arbitrary decision by its Board of Directors, and ensure transparency through timely and appropriate information disclosure to shareholders and investors. The Independent Committee at the time of the continuation of this Plan will consist of the five (5) individuals whose names are listed in Appendix 2.

The status of major shareholders of the Company as of March 31, 2023 is as shown in Appendix 3 "Status of Major Shareholders of the Company."

At the same point in time, officers and related parties, and the employee shareholders association (hereinafter collectively known as "officers, etc. of the Company") held approximately 33.5% of the outstanding shares, but it is not necessarily the case that officers, etc. of the Company exercise their voting rights in unison or in cooperation with each other. Because these relationships are independent, it is possible that the shares, etc. of the Company will be transferred to or inherited by others or disposed of in other ways as a result of various developments, and that these holdings will become increasingly decentralized going forward. In addition, it is

possible that the Company will procure funds from the capital markets as it seeks to expand the business going forward, and in such an event the ownership ratio of each group of shareholders could be diluted.

It is in these circumstances that public awareness of hostile takeover bids has risen, and it is because it may be undesirable from the perspective of enhancing corporate value to be completely defenseless against a takeover bid that risks damaging corporate value and in turn the common interests of shareholders that we consider this Plan to be necessary.

As of the date of this document, the Company has not received any proposal for a large-scale purchase of shares of the Company.

## **2. Content of this Plan**

### **(1) Procedures for this Plan**

#### 1) Large-Scale Purchases subject to this Plan

This Plan applies to purchases of shares of the Company that fall under either (i) or (ii) below or acts similar thereto (excluding those that are approved by the Board of Directors of the Company; hereinafter such acts are referred to as “Large-Scale Purchases”). A party who carries out or intends to carry out a Large-Scale Purchase (hereinafter “Purchaser”) shall be required to follow the procedures preliminarily prescribed in this Plan.

(i) A purchase resulting in the shareholding ratio<sup>1</sup> of the holder<sup>2</sup> becoming 20% or more of the shares issued by the Company<sup>3</sup>

(ii) A tender offer resulting in the sum of the shareholding ratio<sup>4</sup> of the shares pertaining to the tender offer<sup>5</sup> and the shareholding ratio of their specially related parties<sup>6</sup> becoming 20% or more of the shares issued by the Company<sup>7</sup>

#### 2) Prior submission of a Letter of Intent to the Company

A Purchaser is required to submit to the Board of Directors of the Company a document containing, among others, a written pledge to the effect that the Purchaser will comply with the procedures prescribed in this Plan in relation to the proposed Large-Scale Purchase (hereinafter “Letter of Intent”) in a form prescribed by the Company before the execution of the Large-Scale Purchase.

More specifically, the Purchaser is required to state the following matters in the Letter of Intent.

(i) Summary description of the Purchaser

(a) Name and address or location

(b) Title and name of the representative

(c) Purpose and business description of the company, etc.

(d) Summary description of major shareholders or equity holders (10 largest holders in terms of ownership ratio of shares or equity holding ratio)

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<sup>1</sup> This term is as defined in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.

<sup>2</sup> This term means holders as defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act and includes parties who are included in the category of holders pursuant to the provisions of paragraph 3 of that Article.

<sup>3</sup> This term is as defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise prescribed. In the case of an amendment to any of the laws and regulations, etc. referred to in this Plan (including changes in the names of laws and regulations and the establishment of new laws and regulations, etc. that succeed old laws and regulations, etc.), any reference to the provisions of such laws and regulations, etc. in this Plan shall be deemed to be replaced with a reference to the provisions of amended laws and regulations, etc. that substantively succeed the old provisions unless otherwise prescribed by the Board of Directors of the Company.

<sup>4</sup> This term is as defined in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.

<sup>5</sup> This term is as defined in Article 27-2, paragraph 6 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.

<sup>6</sup> This term means specially related parties as defined in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act. However, the parties set forth in item (i) of that paragraph shall exclude those who are prescribed in Article 3, paragraph 2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer. The same shall apply hereinafter.

<sup>7</sup> This term is as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter in (ii).

- (e) Contact address in Japan
  - (f) Law governing the incorporation
  - (ii) The number of shares of the Company currently held by the Purchaser and the trading status of the Purchaser regarding the shares of the Company during the period of 60 days immediately preceding the date of submission of the Letter of Intent
  - (iii) Summary of the Large-Scale Purchase proposed by the Purchaser (including the class and number of the Company's shares that the Purchaser plans to acquire through the Large-Scale Purchase, and the purpose of the Large-Scale Purchase [The fact and details in the case where the purpose is a material proposal<sup>8</sup>, such as to acquire a controlling interest or participate in management, to make a pure investment or establish a cross shareholding, to transfer the Company's shares to a third party after the Large-Scale Purchase, or other purpose. Moreover, in the case of multiple purposes, the Purchaser is required to state all of them.])
- 3) Provision of Necessary Information

In cases where the Purchaser has submitted the Letter of Intent referred to in 2) above, the Purchaser is required to submit to the Company information that is necessary and sufficient for shareholders and investors to make a decision regarding the Large-Scale Purchase (hereinafter "Necessary Information") in accordance with the following procedure:

First, the Board of Directors of the Company will send to the Purchaser at the contact address in Japan specified in 2) (i) (e) above an information list specifying information to be initially submitted within 10 business days<sup>9</sup> (the first day not included) from the date of submission of the Letter of Intent. The Purchaser is required to submit sufficient information to the Company in accordance with the information list.

If the information provided by the Purchaser in accordance with the information list is reasonably determined by the Board of Directors of the Company to be insufficient for shareholders and investors to make a decision and for the Board of Directors of the Company to make an evaluation or examination, etc., in view of the details and the form of the Large-Scale Purchase, the Company requires the Purchaser to provide additional information that is separately requested by the Board of Directors of the Company.

Regardless of the details and the form of the Large-Scale Purchase, the information listed in the following items shall, in principle, be included as part of the information list.

- (i) Details (including history, specific name, capital structure, business description, description of financial conditions, and names and career summary of officers) of the Purchaser and its group (including joint holders<sup>10</sup> specially related parties and, in the case of a fund, partners and other members). The same shall apply hereinafter unless otherwise prescribed.
- (ii) The purpose of the Large-Scale Purchase (details of the purpose disclosed in the Letter of Intent), the method and other details of the Large-Scale Purchase (including whether the Purchaser intends to participate in management of the Company, types and amounts of consideration for the Large-Scale Purchase, the timing of the Large-Scale Purchase, the structure of any related transactions, the planned number of shares to be purchased, the ownership ratio of shares after the execution of the purchase, and the legality of the method of the Large-Scale Purchase)
- (iii) The basis of calculation of the consideration for the Large-Scale Purchase (including the assumptions and facts of the calculation; the method of calculation; numerical information used in the calculation;

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<sup>8</sup> This term means material proposal as defined in Article 27-26, paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Ordinance on Disclosure of the Status of Large Volume Holding of Share Certificates, etc. The same shall apply hereinafter unless otherwise prescribed.

<sup>9</sup> A business day means a day other than the days set forth in the items of Article 1, paragraph 1 of the Act on Holidays of Administrative Organs. The same shall apply hereinafter.

<sup>10</sup> This term means joint holder as defined in Article 27-23, paragraph 5 of the Financial Instruments and Exchange Act and includes parties who are deemed to be joint holders pursuant to the provisions of paragraph 6 of that Article by the Board of Directors of the Company.

the details of the synergy expected to arise from a series of transactions related to the Large-Scale Purchase; the name of a third party, if any, from whom an opinion is obtained in performing the calculation; the outline of such an opinion and; the process through which the amount is determined based on such an opinion)

- (iv) Supporting documents explaining the source of funds for the Large-Scale Purchase (including the specific name of the provider of the funds [including substantial providers of funds], funding methods and the details of any related transactions)
- (v) Presence or absence of communication with a third party in conducting the Large-Scale Purchase and the details of the communication and the outline of the third party if such communication exists
- (vi) If, with regard to shares of the Company already held by the Purchaser, there are any lending agreement, hypothecation agreement, sell-back agreement, sales reservation or other important contracts or arrangements (hereinafter “Hypothecation Agreements, etc.”), the type of the Hypothecation Agreements, etc., the other party to the agreement, and the specific terms and conditions such as the quantity, etc. of the shares that are the subject of the agreement.
- (vii) If the Purchaser plans to enter into Hypothecation Agreements, etc. or any other agreements with a third party with regard to the shares of the Company planned to be purchased by the Purchaser through the Large-Scale Purchase, the type of the agreement planned to be concluded, the other party to the agreement, and the specific terms and conditions of the agreement such as the quantity, etc. of the shares that are the subject of the agreement
- (viii) The management policy, business plan, capital policy, and dividend policy of the Company and the Group after the Large-Scale Purchase
- (ix) The policy on the treatment, etc. of the Company and the Group’s employees, labor union, business partners, customers, local communities, and other stakeholders of the Company after the Large-Scale Purchase
- (x) Specific measures to avoid any conflict of interest with other shareholders of the Company

When a Purchaser has proposed a Large-Scale Purchase, the Board of Directors of the Company discloses that fact at an appropriate point. The Board also promptly discloses the outline of the proposal, the outline of the Necessary Information, and any other information that is deemed necessary for shareholders to make a decision.

The Board of Directors of the Company submits all information received from the Purchaser to the Independent Committee. If the Independent Committee determines that the provided information is insufficient as the Necessary Information, the Independent Committee, through the Board of Directors, may request the Purchaser an additional submission of the Necessary Information.

In addition, when the Board of Directors of the Company determines that the Necessary Information has been sufficiently provided by the Purchaser, they notify the Purchaser to that effect (hereinafter “Information Provision Completion Notice”) and promptly disclose that fact.

#### 4) Establishment of the Board of Directors’ Evaluation Period

After giving the Information Provision Completion Notice, the Board of Directors of the Company selects either of the periods listed in (i) or (ii) below (in either case, not including the first day), depending on such factors as the difficulty of evaluation of the Large-Scale Purchase, as a period for evaluation, examination, negotiation, opinion formation, and development of an alternative proposal by the Board of Directors of the Company (hereinafter the “Board of Directors’ Evaluation Period”).

- (i) In the case of a tender offer of all shares of the Company, the consideration for which consists only of cash (in Japanese yen): a period of up to 60 days; or
- (ii) In the case of other Large-Scale Purchases: a period of up to 90 days.

However, in either of the above cases (i) and (ii), the Board of Directors’ Evaluation Period may be extended if the Board of Directors finds it necessary. In such cases, the Company notifies the Purchaser



of the specific length of the extension and the reasons for the necessity of the extension and discloses that fact to shareholders and investors. The extension may be up to 30 days.

During the Board of Directors' Evaluation Period, the Board of Directors of the Company shall sufficiently evaluate and examine the Necessary Information provided by the Purchaser while obtaining the advice of external experts from time to time as necessary and shall thereby examine the details of the Large-Scale Purchase proposed by the Purchaser from the perspective of protecting and enhancing the corporate value of the Company and the common interests of shareholders. The Board of Directors of the Company will carefully form its opinion on the proposed Large-Scale Purchase through these examinations, etc., and notify the Purchaser of it. It will also disclose its opinion to shareholders and investors in a timely and appropriate manner. The Board of Directors of the Company will also negotiate the terms and conditions and the method of the Large-Scale Purchase with the Purchaser as necessary and may present an alternative proposal to its shareholders and investors.

5) Recommendations of the Independent Committee concerning the exercise of countermeasures

During the Board of Directors' Evaluation Period, the Independent Committee shall, in parallel with the evaluation, examination, negotiation, opinion formation and development of an alternative proposal by the Board of Directors of the Company outlined in 4) above, make recommendations to the Board of Directors of the Company on whether any countermeasures should be exercised, in accordance with the procedure outlined below. In doing so, the Independent Committee may, at the cost of the Company, obtain advice of external experts who are independent from the senior executives in charge of business execution of the Company (including investment banks, securities companies, financial advisors, certified public accountants, attorneys at law, consultants, and other experts) in order to ensure that the judgment of the Independent Committee is made in a manner to contribute to the protection and enhancement of the corporate value of the Company and the common interests of shareholders. When the Independent Committee has made the following recommendations listed in (i) or (ii) below to the Board of Directors of the Company, the Board of Directors of the Company promptly discloses the fact that such recommendations have been made and the outline of the recommendations together with information about any other matters deemed appropriate by the Board of Directors of the Company.

(i) In cases where the Purchaser has not complied with the procedures prescribed in this Plan

In cases where the Purchaser has not complied with the procedures prescribed in 2) through 4) above, the Independent Committee will, in principle, recommend the exercise of countermeasures to the Board of Directors of the Company.

(ii) In cases where the Purchaser has complied with the procedures prescribed in this Plan

In cases where the Purchaser has complied with the procedures prescribed in this Plan, the Independent Committee will recommend the non-exercise of countermeasures to the Board of Directors of the Company.

However, even in cases where the Purchaser has complied with the procedures prescribed in this Plan, the Independent Committee may still exceptionally recommend the exercise of countermeasures if it has concluded that the proposed Large-Scale Purchase is one of the types listed in Appendix 4 that would significantly undermine the corporate value of the Company and the common interests of shareholders.

6) Resolution of the Board of Directors

The Board of Directors of the Company shall respect the recommendations of the Independent Committee prescribed in 5) above to the maximum extent and, taking into account the recommendation, promptly pass a resolution approving the exercise or non-exercise of countermeasures from the perspective of protecting and enhancing the corporate value of the Company and the common interests of shareholders.

When the Board of Directors of the Company has passed such a resolution, whether the content of the resolution is exercise or non-exercise of countermeasures, it shall promptly disclose the outline of the

resolution together with information about any other matters deemed appropriate by the Board of Directors of the Company and the Independent Committee.

7) Discontinuation of countermeasures or revocation of the decision to exercise countermeasures

Even after the Board of Directors of the Company has passed a resolution approving the exercise of countermeasures in accordance with the procedure prescribed in 6) above or has started exercising countermeasures, if (i) the Purchaser has withdrawn the proposal for a Large-Scale Purchase or (ii) there have been changes in the facts on which the judgment as to whether countermeasures should be exercised and it is no longer deemed appropriate to exercise the countermeasures from the perspective of enhancing and protecting the corporate value of the Company and the common interests of shareholders, the Board of Directors of the Company shall discontinue countermeasures or revoke the decision to exercise countermeasures.

When the Board of Directors of the Company has passed such a resolution, it shall promptly disclose the outline of the resolution together with information about any other matters deemed appropriate by the Board of Directors of the Company.

8) Commencement of a Large-Scale Purchase

The Purchaser shall comply with the procedures prescribed in 1) through 6) above and may not commence the Large-Scale Purchase unless the Board of Directors passes a resolution approving the exercise or non-exercise of countermeasures.

**(2) Specific countermeasures to be exercised under this Plan**

One of the countermeasures to be exercised by the Board of Directors of the Company based on its resolution as described in (1) 6) above shall be, in principle, the allotment of share acquisition rights (hereinafter the “Share Acquisition Rights”) without contribution. However, in cases where the exercise of other countermeasures is deemed appropriate under the Companies Act, other laws and regulations, and the Articles of Incorporation of the Company, other countermeasures may also be used.

The outline of the allotment of the Share Acquisition Rights without contribution shall be as prescribed in Appendix 5 “Outline of the Allotment of the Share Acquisition Rights Without Contribution.”

As described in (1) 7) above, the Board of Directors of the Company may discontinue countermeasures or revoke the decision to exercise countermeasures even after it has passed a resolution approving the exercise of countermeasures or has started exercising countermeasures. For example, in the case where the Board of Directors of the Company had passed a resolution approving the allotment of the Share Acquisition Rights without contribution as countermeasures, if the Purchaser has discontinued the Large-Scale Purchase and the Board of Directors of the Company has passed a resolution described in (1) 7) above, the board may revoke the decision to exercise countermeasures by such way as aborting the allotment of the Share Acquisition Rights without contribution during the period until the day immediately preceding the ex-rights date pertaining to the record date set for the allotment of the Share Acquisition Rights without contribution and as the Company’s acquiring the Share Acquisition Rights without contribution during the period from the effective date of the allotment of the Share Acquisition Rights without contribution to the day immediately preceding the start date of the exercise period of the Share Acquisition Rights.

**(3) Effective period, abolition, and change of this Plan**

In the event that approval is obtained at this Annual General Meeting of Shareholders of the Company, the effective period of this Plan will expire in three years’ time, at the conclusion of the Annual General Meeting of Shareholders scheduled to be held in June 2026.

However, if a resolution approving the change or abolition of this Plan is passed at a General Meeting of Shareholders of the Company anytime before the expiration of the said effective period, this Plan shall be changed or abolished at that time pursuant to the resolution. In addition, if a resolution approving the

abolition of this Plan is passed by the Board of Directors consisting of Directors elected at a General Meeting of Shareholders of the Company, this Plan shall be abolished at that time.

The Board of Directors of the Company may, upon approval of the Independent Committee, revise or change this Plan in a range that is judged reasonably necessary due to: a change in the Companies Act, Financial Instruments and Exchange Act, other laws or regulations or rules of the financial instruments exchange; a change in the interpretation or operation thereof; or a change in the taxation system, judicial precedents, etc.

In cases where this Plan is abolished or changed, the Company shall disclose such a fact of abolition or change and (in the case of a change) the detail of the change together with information about any other matters deemed appropriate by the Board of Directors of the Company.

### **3. Rationale of this Plan**

#### **(1) This Plan satisfies all the requirements of the guidelines on takeover defense measures.**

This Plan satisfies the three principles (principle of protecting and enhancing corporate value and shareholders' common interests, principle of prior disclosure and shareholders' will and principle of ensuring the necessity and reasonableness of defensive measures) prescribed in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interest" jointly published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 and is also based on the content of "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008.

#### **(2) This Plan is being continued for the purpose of protecting and enhancing corporate value of the Company and the common interests of shareholders.**

As noted in the 1. above, the continuation of this Plan is proposed for the purpose of protecting and enhancing the corporate value of the Company and the common interests of shareholders in the case where a Large-Scale Purchase of shares of the Company is proposed by securing information and time necessary for the shareholders to decide whether to accept the proposal for the Large-Scale Purchase or for the Board of Directors of the Company to present an alternative proposal, as well as by enabling the Company to negotiate with the Purchaser on behalf of its shareholders or to take similar actions.

#### **(3) This Plan respects shareholders' intention.**

This Plan is to be continued subject to the consent of shareholders at this Annual General Meeting of Shareholders. As stated in 2. (3) above, if a resolution approving the change or abolition of this Plan is passed at a General Meeting of Shareholders of the Company anytime after it is approved at this Annual General Meeting of Shareholders, this Plan will be changed or abolished pursuant to that resolution.

Therefore, the intention of shareholders will be adequately reflected in the continuation, change or revocation of this Plan through the procedure mentioned above.

#### **(4) This Plan respects the judgment of highly independent outside parties and discloses information.**

Under this Plan, an Independent Committee has been established for the purpose of precluding any arbitrary decision of the Board of Directors concerning, among others, the exercise of countermeasures against a Large-Scale Purchase and ensuring the objectivity and reasonableness of the decisions and responses of the Board of Directors.

The Independent Committee consists of three (3) or more members who are to be appointed from among Outside Directors of the Company, or outside experts (senior corporate executives with proven track record, ex-government officials, attorneys at law, certified public accountants, persons with academic experience, or persons equivalent thereto) who are independent from the senior executives in charge of business execution of the Company.

The Company will disclose to shareholders and investors information about the outline of the judgment made by the Independent Committee as necessary and has put in place a mechanism to ensure the transparent administration of this Plan in a manner that will contribute to the corporate value of the Company and the common interests of shareholders.

**(5) Reasonable and objective requirements for the exercise of this Plan**

As stated in 2. (1) above, the Company has structured this Plan in a manner that it will not be exercised unless reasonable and objective requirements for exercise are satisfied and has put in place a mechanism to prevent the Board of Directors of the Company from arbitrarily exercising it.

**(6) This Plan is not a dead-hand type or slow-hand type takeover defense plan.**

As stated in 2. (3) above, this Plan may be abolished at any time by a Board of Directors consisting of Directors who are elected at the General Meeting of Shareholders of the Company. Therefore, this Plan is not a dead-hand type takeover defense plan (a takeover defense plan whose exercise cannot be prevented even after replacing a majority of the members of the Board of Directors).

In accordance with statute, the term of office is one year for Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members), and two years for Directors who are Audit & Supervisory Committee Members, and the Company does not use staggered terms. Consequently, this Plan is not a slow-hand type takeover defense plan (a takeover defense plan that requires time to prevent exercise of the plan because the members of the Board of Directors cannot be replaced at once).

**4. Impact on shareholders and investors**

**(1) Impact of the continuation of this Plan on shareholders and investors upon its taking effect**

When the continuation of this Plan takes effect, none of the Share Acquisition Rights will be issued. Therefore, upon its taking effect, this Plan will not directly have any specific impact on the legal rights and economic benefits pertaining to shares of the Company held by shareholders.

As stated in 2. (1) above, depending on whether the Purchaser complies with this Plan, the response policy of the Company to the proposed Large-Scale Purchase will be different. Therefore, shareholders and investors are advised to pay attention to any action that the Purchaser may or may not take.

**(2) Impact on shareholders and investors at the time of allotment of the Share Acquisition Rights without contribution**

In the case where the Board of Directors of the Company decides to exercise countermeasures and carry out allotment of the Share Acquisition Rights without contribution, the Share Acquisition Rights will be allotted without contribution to shareholders whose names are recorded in the shareholder register as of the allotment date to be specified separately at the rate of up to one Share Acquisition Rights per share held. Due to the nature of such a structure, while the allotment of the Share Acquisition Rights without contribution causes dilution of the economic value per share of the Company held by each shareholder, it does not cause dilution of the economic value of the shares of the Company held by each shareholder, or of the voting rights of each share of the Company. As such, the allotment of the Share Acquisition Rights without contribution is not expected to directly have a specific impact on legal rights and economic benefits pertaining to shares of the Company held by shareholders.

However, as a result of the exercise of these countermeasures, the Purchaser may eventually be subject to certain impact on its legal rights and economic benefits.

In cases where the Board of Directors of the Company passes a resolution approving the allotment of the Share Acquisition Rights without contribution, but subsequently decides to discontinue countermeasures that it has exercised or revoke the decision to exercise countermeasures in accordance with the procedure described in 2. (1) 7) above, the price of shares of the Company may fluctuate accordingly. For example, in

cases where the Company revokes the exercise of countermeasures after the shareholders to receive the allotment of the Share Acquisition Rights without contribution are determined and thereby it acquires the Share Acquisition Rights without contribution and does not deliver new shares, no dilution of economic value per share of the Company held by each shareholder occurs. Accordingly, shareholders and investors who have traded shares of the Company based on the assumption that dilution of economic value per share of the Company would occur may be exposed to a loss due to share price fluctuation.

In cases where discriminatory conditions are attached in relation to the exercise or acquisition of the Share Acquisition Rights, while the legal rights and economic benefits of the Purchaser are expected to be affected with regard to the said exercise or acquisition, such conditions are not expected to directly have a specific impact on the legal rights and economic benefits pertaining to shares of the Company held by shareholders other than the Purchaser.

**(3) Procedures to be followed by shareholders in conjunction with the allotment of the Share Acquisition Rights without contribution**

As those shareholders whose names are recorded in the last shareholder register as of the date of the allotment of the Share Acquisition Rights without contribution would naturally become holders of share options as of the effective date of the allotment of the Share Acquisition Rights without contribution, no application procedure needs to be followed by these shareholders.

Shareholders may need to exercise the Share Acquisition Rights within a prescribed period for the acquisition of new shares. (In such cases, shareholders are required to pay a certain amount of money.)

In addition to the above, after the Board of Directors of the Company passes a resolution approving the allotment of the Share Acquisition Rights without contribution, the allotment method, the exercise method, the method of acquisition by the Company and other details of the required procedures will be, based on the applicable laws and regulations and rules of the financial instruments exchange, disclosed or notified by the Company to shareholders in a timely and appropriate manner for their confirmation.

### **Outline of the Independent Committee Regulations**

1. The Independent Committee is established by a resolution of the Board of Directors of the Company for the purpose of precluding any arbitrary decision of the board concerning, among others, the exercise of countermeasures against a Large-Scale Purchase and securing the objectivity and reasonableness of the decisions and responses of the Board of Directors of the Company.
2. The Independent Committee shall consist of three (3) or more members. The Independent Committee members shall be appointed by resolution of the Board of Directors of the Company from among persons who are either Outside Directors of the Company, or outside experts (senior corporate executives with proven track record, ex-government officials, attorneys at law, certified public accountants, persons with academic experience or persons equivalent thereto) and who are independent from the senior executives in charge of business execution of the Company. The Company shall enter into an agreement concerning the duty of due care of a prudent manager and confidentiality obligations with the Independent Committee members.
3. The term of office of an Independent Committee member shall be the period from the day on which they are appointed to the day of the conclusion of the Annual General Meeting of Shareholders for the last fiscal year that ends within three years, or to another day separately agreed between the Company and said member. However, this shall not apply if otherwise prescribed by a resolution of the Board of Directors of the Company.
4. The Independent Committee shall be convened by a Representative Director of the Company or any of the Independent Committee members.
5. The chairperson of the Independent Committee shall be elected from among the Independent Committee members by a vote of the members.
6. In principle, a resolution of the Independent Committee shall be passed by a majority of the votes of all the Independent Committee members present at the meeting. However, in the case of an accident or any other special circumstances that prevent an Independent Committee member from voting on a resolution, in principle, a resolution of the Independent Committee shall be passed by a majority of the votes of Independent Committee members present at meetings at which all Independent Committee members, excluding the Independent Committee member in question, are present.
7. The Independent Committee shall deliberate and pass resolutions on the matters listed in the following items and recommend its decisions to the Board of Directors of the Company clarifying the basis of the decisions:
  - (1) Whether countermeasures under this Plan should be exercised;
  - (2) Whether countermeasures under this Plan should be discontinued or the decision to exercise the countermeasures should be revoked;
  - (3) Whether this Plan should be abolished and changed; and
  - (4) Any other matters on which the Board of Directors of the Company from time to time seeks advice from the Independent Committee in relation to this Plan.

In deliberating and passing resolutions at the Independent Committee, each Independent Committee member shall do so solely from the perspective of whether the matter in question contributes to the corporate value of the Company and the common interests of shareholders and shall not do so for the purpose of seeking personal benefits for themselves or senior executives of the Company.
8. The Independent Committee may have a Director, employee of the Company or any other persons deemed necessary attend its meeting and request their opinion or explanation about matters specified by the Independent Committee as necessary.
9. In performing its duties, the Independent Committee may, at the cost of the Company, obtain advice of external experts that are independent from the senior executives who are in charge of business execution of the Company (including investment banks, securities companies, financial advisors, certified public accountants, attorneys at law, consultants, and other experts).

End

**Names and career summaries for Independent Committee members**

Name (Date of birth)	Past experience	
<p><b>Michiko Kanai</b> (June 16, 1955)</p>	<p>Apr. 1990</p> <p>Apr. 1998</p> <p>Aug. 2002</p> <p>June 2007</p> <p>June 2015</p> <p>June 2016</p> <p>June 2018</p> <p>June 2020</p>	<p>Register Lawyer Joined OH-EBASHI LAW OFFICES (current OH-EBASHI LPC &amp; PARTNERS)</p> <p>OH-EBASHI LAW OFFICES partner</p> <p>OH-EBASHI LPC &amp; PARTNERS partner (current position)</p> <p>Outside Audit &amp; Supervisory Board Member, USJ Co., Ltd. (current USJ LLC.)</p> <p>Outside Director, the Company (current position) Outside Audit &amp; Supervisory Board Member, SANKYO SEIKO CO., Ltd. (current position)</p> <p>Outside Director, IDEC CORPORATION</p> <p>Outside Director (Audit &amp; Supervisory Committee member), IDEC CORPORATION (current position)</p> <p>Outside Director, AS ONE CORPORATION (current position)</p>
<p><b>Takashi Maruyama</b> (June 23, 1948)</p>	<p>June 2004</p> <p>Mar. 2006</p> <p>June 2007</p> <p>Apr. 2011</p> <p>June 2017</p> <p>June 2019</p> <p>June 2021</p>	<p>Representative Director and President, Shima Spain Village Co., Ltd.</p> <p>Director and President, Kintetsu Leisure Service Co., Ltd.</p> <p>Executive Director, Kintetsu Railway Co., Ltd.</p> <p>Representative Director and President, Kin-Ei Corp.</p> <p>Representation Director and President, KNT-CT Holdings Co., Ltd.</p> <p>Representative Director and Chairman, KNT-CT Holdings Co., Ltd.</p> <p>Outside Director, the Company (current position)</p>
<p><b>Kana Yasuda</b> (April 10, 1969)</p>	<p>Oct. 1993</p> <p>Apr. 1997</p> <p>Mar. 2000</p> <p>Mar. 2004</p> <p>Sep. 2009</p> <p>May 2010</p> <p>June 2016</p> <p>June 2019</p> <p>June 2020</p> <p>Sep. 2021</p>	<p>Joined Century Audit Corporation (current Ernst &amp; Young ShinNihon LLC)</p> <p>Registered as Certified Public Accountant</p> <p>Founder and Representative of Yasuda Accounting Firm (current position)</p> <p>Registered as Licensed Tax Accountant</p> <p>Outside Audit &amp; Supervisory Board Member, SHINPO CO., LTD.</p> <p>Outside Audit &amp; Supervisory Board Member, Sugi Holdings Co., Ltd. (current position)</p> <p>Outside Director, GEO HOLDINGS CORPORATION (current position)</p> <p>Outside Director, Chuo Spring Co., Ltd. (current position) Outside Audit &amp; Supervisory Board Member, the Company</p> <p>Outside Director, the Company (Audit &amp; Supervisory Committee Member) (current position)</p> <p>Outside Director, Monogatari Corporation (current position)</p>

Name (Date of birth)	Past experience	
<b>Taku Tokuda</b> (February 5, 1972)	Apr. 2000	Registered as Lawyer, joined Ozawa & Akiyama
	Oct. 2003	Joined Tokuda Law Office
	Oct. 2018	Part-time Instructor, Graduate School of Law, Kyoto University
	Jan. 2020	Representative lawyer, Tokuda Law Office (current position)
	June 2020	Outside Director, the Company (Audit & Supervisory Committee Member) (current position)
Apr. 2021	Visiting Professor, Graduate School of Law, Kyoto University (current position)	
<b>Minako Yamaoka</b> (April 7, 1959)	Jan. 1998	General Manager of Product Planning and Development Department, Cosmetics Business Department, FANCL CORPORATION
	May 2004	General Manager of Mail Order Department, Sales Division, FANCL CORPORATION
	Apr. 2007	Executive Officer, and General Manager of Sales Planning Division, FANCL CORPORATION
	Nov. 2007	Executive Officer and Director, and President of Cosmetics Company, FANCL CORPORATION
	May 2010	Executive Officer and Director, and General Manager of Business Development Promotion Division and General Manager of New Business Development Department, FANCL CORPORATION
	Mar. 2013	Senior Managing Director, and President of Cosmetics Company, FANCL CORPORATION
	Apr. 2014	Senior Managing Director, FANCL CORPORATION President and Representative Director, FANCL COSMETICS CORPORATION
	Apr. 2017	Senior Managing Director in charge of New Business Format Development, FANCL CORPORATION
	July 2018	Adviser, FANCL CORPORATION
	May 2020	Director in charge of CMM Business, Ands Corporation
	Mar. 2021	Outside Director, NICCA CHEMICAL CO., LTD. (current position)
June 2021	Outside Director (Audit & Supervisory Committee member), the Company(current position)	

- (Notes)
1. There are no special interests between each of the above five individuals and the Company.
  2. The Company has notified the Tokyo Stock Exchange that Michiko Kanai, Takashi Maruyama, Kana Yasuda, Taku Tokuda and Minako Yamaoka are all Independent Directors based on the regulations of the Tokyo Stock Exchange.

End



### Status of Major Shareholders of the Company

The status of major shareholders of the Company as of March 31, 2023, is as shown below.

Name of shareholders	Number of shares held (thousand shares)	Ownership ratio (%)
Towa Kosan Corp.	3,014	11.83
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	1,595	6.26
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,472	5.78
KONDOTEC employees stock ownership	1,401	5.50
Osaka Small and Medium Business Investment & Consultation Co., Ltd.	1,247	4.89
F-planning INC.	900	3.53
MUFG Bank, Ltd.	753	2.96
Toto Kosan INC.	676	2.65
Masahide Kondo	664	2.61
Jun Corp.	535	2.10
Total	12,260	48.12

- (Notes)
- Notes 1. The Company owns 864,000 of its own shares, but these are not taken into account when considering the status of major shareholders given above.
  - Ownership ratios are calculated after deducting the 864,000 treasury shares.
  - In the change report on large-volume holdings submitted for public inspection on September 19, 2019 (No.6), FIL Investments (Japan) Limited held the following shares as of September 13, 2019. However, because the Company was unable to confirm the actual number of shares held as of the end of the fiscal year in question, it has not been taken into account when considering the status of major shareholders given above.  
The details of the change report are as follows.

Name	Number of shares, etc. held (thousand shares)	Ownership ratio of shares, etc. (%)
FMR LLC	2,656	9.74

- In the change report on large-volume holdings submitted for public inspection on April 18, 2022 (No.2), Mitsubishi UFJ Financial Group, Inc. held the following shares as of April 11, 2022. However, because the Company was unable to confirm the actual number of shares held as of the end of the fiscal year in question, it has not been taken into account when considering the status of major shareholders given above.  
The details of the change report are as follows.

Name	Number of shares, etc. held (thousand shares)	Ownership ratio of shares, etc. (%)
MUFG Bank, Ltd.	753	2.86
Mitsubishi UFJ Trust and Banking Corporation	510	1.94
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	87	0.33
Total	1,352	5.13

End

**Types of Large-Scale Purchase Proposals That Are Considered to Significantly Undermine the Corporate Value of the Company and the Common Interests of Shareholders**

1. Cases where the Purchaser is found to be a party who does not have any intention to participate in corporate management and is acquiring or intends to acquire shares of the Company only for the purpose of selling the shares of the Company to the Company or a related party of the Company at a high price after driving the share price higher (so-called greenmailer)
2. Cases where the Purchaser is found to be acquiring shares of the Company for the purpose of transferring such assets of the Company or the Group companies as intellectual property rights, know-how, corporate secrets, major business partners or customers that are necessary for the business operation of the Company or the Group companies to the Purchaser or its group companies, etc. by temporarily acquiring control over the corporate management of the Company
3. Cases where the Purchaser is found to be acquiring shares of the Company for the purpose of using the assets of the Company or the Group companies as collateral for or the source of funds to repay, debts of the Purchaser or its group companies, etc. after acquiring the control over the corporate management of the Company
4. Cases where the Purchaser is found to be acquiring shares of the Company for the purpose of temporarily acquiring the control over the corporate management of the Company and disposing of high-value assets, etc. such as real estate, securities, etc., that are not currently related to the business of the Company or the Group companies by sale, etc. and temporarily paying higher dividends from the disposition proceeds or deliberately selling the shares of the Company at a high price as the share price surges during the period of the said temporarily higher dividends
5. Cases where the method of purchase of shares of the Company proposed by the Purchaser is found to impose restrictions on the opportunity or freedom of shareholders to make a decision by way of a so-called coercive two-tier tender offer (a method of carrying out a tender offer in two steps where the Purchaser does not solicit the sale of all shares of the Company in the first stage while specifying unfavorable terms and conditions for purchase in the second stage or not clarifying the terms and conditions for purchase in the second stage) and possibly resulting in shareholders being effectively forced to sell the shares of the Company

End

## **Outline of the Allotment of the Share Acquisition Rights Without Contribution**

### 1. Total number of the Share Acquisition Rights to be allotted

The total number of the Share Acquisition Rights to be allotted shall be the number separately specified by the Board of Directors of the Company in the resolution approving the allotment of the Share Acquisition Rights without contribution (hereinafter “Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution”) and this number shall not exceed the number equivalent to the final total number of issued shares of the Company as of a certain day separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution (hereinafter “Allotment Date”) (excluding the number of shares of the Company held by the Company as of the said date).

### 2. Shareholders eligible for allotment

The Share Acquisition Rights shall be allotted without contribution to shareholders whose names are recorded in the last shareholder register as of the Allotment Date at the rate of up to one Share Acquisition Right per common share of the Company held by the said shareholders (excluding shares of the Company held by the Company as of the said date) that is separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

### 3. Effective date of the allotment of the Share Acquisition Rights without contribution

The effective date shall be the day separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

### 4. Class and number of shares that are the subject of the Share Acquisition Rights

The class of the shares that are the subject of the Share Acquisition Rights shall be common shares of the Company and the number of shares that are the subject of a Share Acquisition Right (hereinafter “Number of Subject Shares”) shall be the number separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution provided that the Number of Subject Shares shall not exceed one. However, in cases where the Company carries out a share split or share consolidation, the Number of Subject Shares shall be subject to required adjustment.

### 5. Type and amount of assets to be contributed upon exercise of the Share Acquisition Rights

The type of assets to be contributed upon exercise of the Share Acquisition Rights shall be money and the amount of assets to be contributed upon exercise of the Share Acquisition Rights per common share of the Company shall be the amount separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution provided that this amount shall not be less than ¥1.

### 6. Restrictions on the transfer of the Share Acquisition Rights

Any transfer of the Share Acquisition Rights shall be subject to the approval of the Board of Directors of the Company.

## 7. Exercise conditions of the Share Acquisition Rights

A party falling under any of the following categories (hereinafter collectively referred to as “non-qualified parties”) are not entitled to exercise the Share Acquisition Rights: (1) specified large volume holder<sup>11</sup>, (2) joint holder of a specified large volume holder, (3) specified large volume purchaser<sup>12</sup>, (4) specially related party of a specified large volume purchaser, (5) party who has received or succeeded the Share Acquisition Rights from any of the parties listed in (1) through (4) without obtaining the approval of the Board of Directors of the Company, or (6) related party<sup>13</sup> of any of the parties falling under (1) through (5). The details of the exercise conditions of the Share Acquisition Rights shall be separately specified in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

## 8. Acquisition of the Share Acquisition Rights by the Company

The Company may acquire the Share Acquisition Rights held by parties other than non-qualified parties and deliver common shares of the Company in the Number of Subject Shares per Share Acquisition Right in exchange for them on the day separately specified by the Board of Directors of the Company. The details of the acquisition conditions of the Share Acquisition Rights shall be separately specified in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

## 9. Acquisition without contribution in the case of revocation, etc. of the decision to exercise countermeasures

In cases where the Board of Directors of the Company has revoked the exercise of countermeasures or other cases separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution, the Company may acquire all of the Share Acquisition Rights without contribution.

## 10. Exercise period, etc. of the Share Acquisition Rights

The exercise period of the Share Acquisition Rights and other necessary matters shall be separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

End

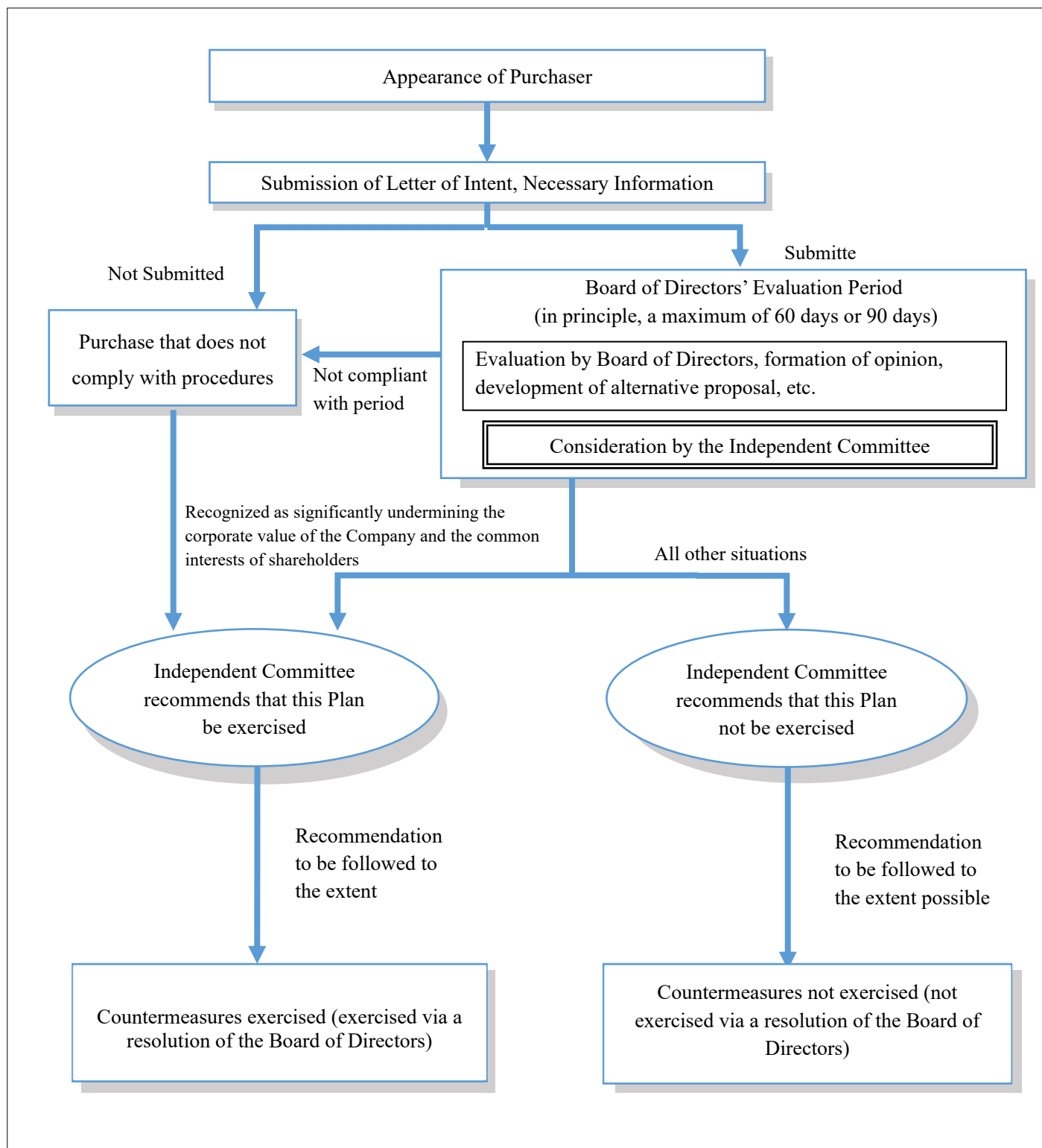
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<sup>11</sup> “Specified large volume holder” means a holder of shares, etc. issued by the Company whose ownership ratio of said shares, etc. is 20% or more, or a party who falls under the category of specified large volume holder as determined by the Board of Directors of the Company. However, such a party shall not fall under the category of specified large volume holder if the Board of Directors of the Company has determined that said party’s acquiring or holding shares, etc. of the Company is not against the corporate value of the Company and the common interests of shareholders or if the said party is a party separately specified as such by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

<sup>12</sup> “Specified large volume purchaser” refers to a party who has given a public notice to the effect that it will carry out a purchase, etc. (meaning purchase, etc. as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter in this note) of shares, etc. (meaning share certificates, etc. as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter in this note) issued by the Company through a tender offer and the aggregate sum of whose ownership ratio of shares, etc. pertaining to its ownership after the said purchase, etc. (including those prescribed by Article 7, paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act as being equivalent thereto) as combined with the ownership ratio of shares, etc. of its specially related parties is 20% or more, or a party who falls under the category of specified large volume purchaser as determined by the Board of Directors of the Company. However, such a party shall not fall under the category of specified large volume purchaser if the Board of Directors of the Company has determined that said party’s acquiring or holding shares, etc. of the Company is not against the corporate value of the Company and the common interests of shareholders or if the said party is a party separately specified as such by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

<sup>13</sup> “Related party” of a given party means a party who substantively controls or is controlled by or is under the common control with the other party (including those who are determined by the Board of Directors of the Company to fall under the said definition) or a party who is determined by the Board of Directors of the Company to act in cooperation with the other party. “Control” means the “cases where a party controls decisions on financial and business policies” of other companies, etc. (meaning the cases defined in Article 3, paragraph 3 of the Regulations for Enforcement of the Companies Act).

### Flowchart of the procedures of this Plan



※ This diagram has been created to enable the outline of this Plan to be more easily understood.

For the specific details of this Plan, please refer to the body of the text.