

Note: This document has been translated from a part of the Japanese original for reference purposes only.  
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 3843  
July 12, 2023

## To Shareholders with Voting Rights

Atsuki Ishida  
Representative Director and President  
**FreeBit Co., Ltd.**  
3-6 Maruyamacho, Shibuya-ku, Tokyo

## NOTICE OF THE 23RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 23rd Ordinary General Meeting of Shareholders of FreeBit Co., Ltd. (the “Company”), which will be held as described below.

We ask that, instead of attending on the day of the meeting, you consider viewing the live broadcast of the meeting and exercise your voting rights in advance in writing by submitting the Voting Rights Exercise Form or via the Internet if possible. Please read the Reference Documents for the General Meeting of Shareholders and exercise your voting rights in advance in all possible circumstances.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents 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 the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website: <https://freebit.com/> (in Japanese)

(From the above website, select “IR,” “IR Library,” and then “General Meeting of Shareholders & Business Presentation for investors.”)

Tokyo Stock Exchange (TSE) website:

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

(Access the TSE website by using the internet address shown above, enter “FreeBit” in “Issue name (company name)” or the Company’s securities code “3843” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

- 1. Date and Time:** July 27, 2023 (Thursday), 10:00 a.m.
- 2. Venue:** Shibuya Mark City Building, 1-12-2, Dogenzaka, Shibuya-ku, Tokyo  
Shibuya Excel Hotel Tokyu, 6F Planets Room
- 3. Agenda of the Meeting:**
- Matters to be reported:**
1. Business Report, Consolidated Financial Statements for the Company's 23rd Fiscal Year (from May 1, 2022 to April 30, 2023) and Audit Reports for the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
  2. Non-consolidated Financial Statements for the Company's 23rd Fiscal Year (from May 1, 2022 to April 30, 2023)

**Proposal to be resolved:**

- Proposal No. 1** Election of Seven Directors
- Proposal No. 2** Election of One Audit & Supervisory Board Member
- Proposal No. 3** Approval of the Measures to Respond to a Large-scale Purchase, etc. of the Company's Shares, etc. (Takeover Defense Measures)

- For those attending, please present the Voting Rights Exercise Form, which was sent together with this notice, at the reception desk on arrival at the meeting.
- When attending by proxy, the proxy will be required to present documentary proof of his or her authority to exercise your voting rights in addition to the shareholder's Voting Rights Exercise Form at the reception desk. (You may name one shareholder who holds voting rights of the Company to act as proxy and exercise your voting rights in accordance with the provisions of Article 16 of the Company's Articles of Incorporation.)
- In accordance with the provisions of laws and regulations and Article 14 of the Company's Articles of Incorporation, the following items are excluded from the paper-based documents delivered to shareholders who have made a request for delivery of documents stating items subject to measures for electronic provision.
  - (1) "Main Businesses," "Main Business Offices," "Status of Main Lenders," "Status of Employees," and "Other Important Information on the Corporate Group" under 1. Current Status of the Corporate Group, "Status of Share Acquisition Rights" under 2. Current Status of the Company and "Matters Concerning Outside Officers" and "Status of the Accounting Auditor" under Status of Officers, 3. Systems for Ensuring the Propriety of Business Activities and Overview of Operations of the Said Systems, 4. Basic Policy Concerning Control of the Company, and 5. Policy on Determination of Dividends of Surplus, etc., all of which are in the Business Report.
  - (2) "Consolidated Statement of Changes in Equity" and "Significant Matters Forming The Basis For Preparing Consolidated Financial Statements and Other Notes" in the Consolidated Financial Statements
  - (3) "Non-consolidated Statement of Changes in Equity" and "Notes on Significant Accounting Policies and Other Notes" in the Non-consolidated Financial Statements

(2) and (3) above are part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor in preparing the Accounting Audit Report. (1) to (3) above are part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members in preparing the Audit Report.
- 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 posted on the Company's aforementioned website and the TSE website.
- When there is no indication of approval or disapproval for a proposal on the Voting Rights Exercise Form when exercising voting rights in writing (by mail), the Company shall treat it as a vote for approval.
- If you exercise your voting rights both in writing and via the Internet, the vote cast via the Internet shall be considered valid.
- If you exercise your voting rights multiple times via the Internet, only the last vote cast shall be considered valid. When you exercise your voting rights more than once using multiple devices such as a PC, a smartphone, and/or a tablet, the last vote cast shall be considered valid regardless of the device.
- Gifts for shareholders will not be prepared.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Election of Seven Directors

The terms of office of all five Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of Seven Directors.

The candidates for Director are as follows:

| No. | Name             | Position in the Company               |                                       |
|-----|------------------|---------------------------------------|---------------------------------------|
| 1   | Atsuki Ishida    | Representative Director and President | Reelection                            |
| 2   | Takashi Shimizu  | Director and Executive Vice President | Reelection                            |
| 3   | Koichi Tomomatsu | Director                              | Reelection                            |
| 4   | Ikuko Wada       | Director                              | Reelection                            |
| 5   | Nobuhiko Komeya  |                                       | New election, Outside,<br>Independent |
| 6   | Seiji Takeda     |                                       | New election, Outside,<br>Independent |
| 7   | Hideaki Doki     |                                       | New election, Outside,<br>Independent |

| Candidate No.   | Name<br>(Date of birth)   | Career summary, and position and responsibility in the Company  | Number of the Company's shares held |
|---|---|---|-------------------------------------|
| 1   | <p>Reelection</p> <p><b>Atsuki Ishida</b><br/>(June 18, 1972)<br/>51 years old</p> <p>Number of attendance at the Board of Directors meetings:<br/>18/18 (100%)</p> | <p>May 2000 Founder and Representative Director, President and CEO of the Company</p> <p>July 2004 Representative Director, Chairman and CEO</p> <p>July 2005 Representative Director, President and CEO</p> <p>Jan. 2015 Representative Director, President and CEO of FreeBit mobile inc.</p> <p>Feb. 2015 Representative Director and Chairman of the Company</p> <p>Apr. 2015 Director, CIO and CSO of Culture Convenience Club Co., Ltd.</p> <p>Apr. 2016 Managing Director, CIO and CSO of Culture Convenience Club Co., Ltd.</p> <p>May 2020 Representative Director and President, CEO and CTO of the Company (current position)</p> <p>May 2020 Executive Officer (current position)</p> <p>June 2021 Outside Director of PIA Corporation (current position)</p> <p>Oct. 2021 Director and Chairman of DREAM TRAIN INTERNET INC. (current position)</p> <p>Oct. 2021 Representative Director and President of TONE LifeStyle INC. (current position)</p> <p>(Significant concurrent positions outside the Company)<br/>Director and Chairman of DREAM TRAIN INTERNET INC.<br/>Outside Director of PIA Corporation [Securities Code: 4337]<br/>Representative Director and President of TONE LifeStyle INC.</p> | 3,523,190                           |
| <p>[Reason for nomination as candidate for Director]</p> <p>Since the establishment of the Company in May 2000, Atsuki Ishida, as one of its founding managers, has grown the Group, which includes one listed corporation, to its current scale. He also possesses technical experience and insight, having served in positions such as technical head of the largest-scale data system in Japan. In addition to being intimately familiar with the ICT that is indispensable for the expansion of the Group, he combines a managerial perspective that refuses to be swayed by preconceived ideas with the ability to get things done. While taking on the role of the commercialization of cutting-edge technologies such as AI and blockchain, he is striving to expand the Group.</p> <p>In order to facilitate the further growth of the Group, the Company proposes that he be reelected to continue to serve as Director.</p> |   |   |                                     |

| Candidate No.  | Name<br>(Date of birth)   | Career summary, and position and responsibility in the Company   | Number of the Company's shares held |
|--|---|--|-------------------------------------|
| 2  | <p>Reelection</p> <p><b>Takashi Shimizu</b><br/>(February 26, 1974)<br/>49 years old</p> <p>Number of attendance at the Board of Directors meetings:<br/>18/18 (100%)</p> | <p>May 2000 Founder and Director of the Company</p> <p>Aug. 2005 General Manager of Finance and Accounting Department</p> <p>July 2010 General Manager of Group Management Administration Headquarters and General Manager of Finance and Accounting Department</p> <p>Oct. 2011 Executive Officer (current position)</p> <p>Mar. 2015 Outside Director of Tone mobile inc.</p> <p>Apr. 2015 Representative Director and President of freebit investment inc. (current position)</p> <p>Apr. 2015 Representative Director and President of FreeBit Smart Works, inc (current position)</p> <p>July 2015 Executive Vice President of the Company (current position)</p> <p>July 2016 Representative Director and President of BEKKOAME INTERNET. INC. (current position)</p> <p>Sept. 2016 Director of EPARK Health Care, Inc. (currently Kusurinomadoguchi, Inc.)</p> <p>Sept. 2018 Director of ALC PRESS INC.</p> <p>June 2020 Director of GIGAPRIZE Co., Ltd.</p> <p>July 2020 General Manager of Administration Headquarters (current position)</p> <p>July 2020 Director of Full Speed Inc.</p> <p>Oct. 2020 Auditor of DREAM TRAIN INTERNET INC.</p> <p>May 2021 Representative Director and President of DREAM TRAIN INTERNET INC. (current position)</p> <p>June 2023 Audit &amp; Supervisory Board Member of GIGAPRIZE Co., Ltd. (current position)</p> <p>(Significant concurrent positions outside the Company)<br/>Representative Director and President of DREAM TRAIN INTERNET INC.<br/>Audit &amp; Supervisory Board Member of GIGAPRIZE Co., Ltd. [Securities Code: 3830]</p> | 126,691                             |
| <p>[Reason for nomination as candidate for Director]</p> <p>As one of the founders of the Company Takashi Shimizu has a record that encompasses being responsible for the engineering, administration and sales departments, resulting in an accumulation of knowledge that he puts to active use through his participation in the management of each of the Group, making an important contribution to the growth of the Group. He is also engaged in pioneering the new businesses vital for the Group's expansion in the future, including serving in the management of subsidiaries and being responsible for investment in start-up companies.</p> <p>In order to facilitate the further growth of the Group, the Company proposes that he be reelected to continue to serve as Director.</p> |   |  |                                     |

| Candidate No.   | Name<br>(Date of birth)   | Career summary, and position and responsibility in the Company   | Number of the Company's shares held |
|---|---|--|-------------------------------------|
| 3   | <p>Reelection</p> <p><b>Koichi Tomomatsu</b><br/>(February 1, 1979)<br/>44 years old</p> <p>Number of attendance at the Board of Directors meetings:<br/>18/18 (100%)</p> | <p>Apr. 2001 Joined Goodwill Group Inc.</p> <p>Apr. 2004 Area Marketing Manager of Supervision Department</p> <p>July 2006 General Manager of Sales Planning Department of Goodwill Co., Ltd.</p> <p>Nov. 2008 Joined Full Speed Inc.</p> <p>Nov. 2011 General Manager of Operation Supervision Department</p> <p>July 2013 Director</p> <p>July 2014 Board Member of For it Inc. (current position)</p> <p>Feb. 2015 Representative Director and President of Full Speed Inc.</p> <p>Dec. 2015 Director of THINKS Co., Ltd.</p> <p>Jan. 2017 Director of FULLSPEED TECHNOLOGIES INC. (current position)</p> <p>May 2017 Representative Director and President of Calmbold Inc. (currently CRAID Inc.)</p> <p>Sept. 2017 Director of Full Speed Link Inc.</p> <p>Dec. 2017 Director of Full Speed (China) Inc.</p> <p>July 2018 Director of CRAID Inc. (current position)</p> <p>May 2019 Representative Director and President of JobRoad Inc. (current position)</p> <p>May 2020 Representative Director and Chairman of Full Speed Inc.</p> <p>June 2020 Director of GIGAPRIZE Co., Ltd. (current position)</p> <p>July 2020 Director of the Company (current position)</p> <p>July 2020 Executive Officer (current position)</p> <p>Oct. 2020 General Manager of Group Human Resources Headquarters of the Company (current position)</p> <p>Jan. 2023 Representative Director and President of Full Speed Inc. (current position)</p> <p>(Significant concurrent positions outside the Company)<br/>Director of FULLSPEED TECHNOLOGIES INC.<br/>Director of CRAID Inc.<br/>Representative Director and President of JobRoad Inc.<br/>Representative Director and President of Full Speed Inc.<br/>Director of GIGAPRIZE Co., Ltd. [Securities Code: 3830]<br/>Board Member of For it Inc.</p> | 6,019                               |
| <p>[Reason for nomination as candidate for Director]</p> <p>Through his participation in the management of Group, Koichi Tomomatsu has been making an important contribution to the growth of the Group. He possesses extensive experience and knowledge related to business strategy and human resources. He is striving to promote and strengthen the management of the Group with his broad and advanced point of view, from the viewpoint of pursuing the sustainable growth of the Group.</p> <p>In order to facilitate the further growth of the Group, the Company proposes that he be reelected to continue to serve as Director.</p> |   |  |                                     |

| Candidate No.  | Name<br>(Date of birth)  | Career summary, and position and responsibility in the Company  | Number of the Company's shares held |
|--|--|---|-------------------------------------|
| 4  | <p>Reelection</p> <p><b>Ikuko Wada</b><br/>(July 17, 1971)<br/>51 years old</p> <p>Number of attendance at the Board of Directors meetings:<br/>18/18 (100%)</p> | <p>Apr. 1994 Joined KINREI CORPORATION</p> <p>June 2004 Joined Aqua Clara, inc.</p> <p>Oct. 2008 Joined Fractalist inc. (currently UNITED, Inc.)</p> <p>May 2012 Joined the Company</p> <p>July 2014 General Manager of Group Management Administration Headquarters of the Company</p> <p>May 2016 Executive Officer (current position)</p> <p>Sept. 2018 Director of ALC PRESS INC.</p> <p>June 2020 Director of GIGAPRIZE Co., Ltd. (current position)</p> <p>June 2020 Director of FreeBit EPARK Health Care, Inc. (currently Kusurinomadoguchi, Inc.)</p> <p>July 2020 General Manager of Group Management Planning Headquarters of the Company (current position)</p> <p>July 2020 Director of Full Speed Inc. (current position)</p> <p>July 2020 Director of the Company (current position)</p> <p>(Significant concurrent positions outside the Company)<br/>Director of GIGAPRIZE Co., Ltd. [Securities Code: 3830]<br/>Director of Full Speed Inc.</p> | 9,319                               |
| <p>[Reason for nomination as candidate for Director]</p> <p>Ikuko Wada has a record that encompasses being responsible for the corporate planning, IR, human resources, legal, and finance and accounting departments. She has promoted strengthening the information management structure, training of personnel and business strategy, resulting in an accumulation of knowledge that she puts to active use through her participation in the management of each of the Group, and is striving to contribute to the growth of the Group.</p> <p>In order to facilitate the further growth of the Group, the Company proposes that she be reelected to continue to serve as Director.</p> |  |   |                                     |



| Candidate No.   | Name<br>(Date of birth)  | Career summary, and position and responsibility in the Company                                   | Number of the Company's shares held |
|---|--|--|-------------------------------------|
| 5   | New election<br>Outside<br>Independent<br><br><b>Nobuhiko Komeya</b><br>(September 20, 1955)<br>67 years old<br><br>Number of attendance at the Board of Directors meetings: - | Apr. 1981 Joined ALPS ELECTRIC CO., LTD. (currently ALPS ALPINE CO., LTD.)                       | -                                   |
|   |  | Mar. 2000 President of ALPS ELECTRIC (UK) LIMITED  |                                     |
| 5   | -  | June 2004 Director of ALPS ELECTRIC CO., LTD. (currently ALPS ALPINE CO., LTD.)                  | -                                   |
|   |  | June 2009 Managing Director, in charge of Material Control, MMP Division                         |                                     |
| 5   | -  | June 2012 Senior Managing Director, General Manager, Administration Headquarters                 | -                                   |
|   |  | June 2015 Senior Managing Director of ALPINE ELECTRONICS, INC. (currently ALPS ALPINE CO., LTD.) |                                     |
| 5   | -  | June 2016 President  | -                                   |
|   |  | Jan. 2019 Representative Director, Senior Executive Vice President of ALPS ALPINE CO., LTD.      |                                     |
|   |  | (Significant concurrent positions outside the Company)<br>None                                   |                                     |
| [Reason for nomination as candidate for Outside Director and outline of expected role]<br>Nobuhiko Komeya possesses extensive management and international experience as a manager and knowledge about new businesses in fields such as EV and automated driving, and displayed leadership in the strengthening of the business foundation, such as through organizational reform and the creation of new businesses, as President of ALPINE ELECTRONICS, INC. (currently ALPS ALPINE CO., LTD.) from 2016. As the Company deems that he is an appropriate person to carry out the supervision of management by leveraging his knowledge as an entrepreneur and offering to the Company's management opinions and advice, the Company has nominated him as a candidate for Outside Director.<br><br>In order to facilitate the further growth of the Group, the Company expects him to supervise the management of the Group based on his insight and experience from an independent viewpoint, and proposes that he be reelected to serve as Outside Director. |  |  |                                     |
| 6   | New election<br>Outside<br>Independent<br><br><b>Seiji Takeda</b><br>(April 16, 1960)<br>63 years old<br><br>Number of attendance at the Board of Directors meetings: -        | Apr. 1984 Joined MAINICHI BROADCASTING SYSTEM, INC., News Department                             | -                                   |
|   |  | June 1991 TV Sales Division  |                                     |
| 6   | -  | Apr. 1999 TV Programming Department of Tokyo Branch  | -                                   |
|   |  | Apr. 2010 TV Production Department of Tokyo Branch   |                                     |
| 6   | -  | June 2015 General Manager of Programming Division of Osaka Head Office                           | -                                   |
|   |  | June 2017 General Manager of Content Business Division   |                                     |
| 6   | -  | June 2019 Managing Director of GAORA Inc.  | -                                   |
|   |  | June 2021 Representative Director and President  |                                     |
|   |  | (Significant concurrent positions outside the Company)<br>None                                   |                                     |
| [Reason for nomination as candidate for Outside Director and outline of expected role]<br>Seiji Takeda possesses extensive management experience and knowledge as a producer and manager in the broadcasting industry, and displayed leadership in the creation of various TV programs. As the Company deems that he is an appropriate person to carry out the supervision of management by leveraging his knowledge as an entrepreneur and offering to the Company's management opinions and advice, the Company has nominated him as a candidate for Outside Director.<br><br>In order to facilitate the further growth of the Group, the Company expects him to supervise the management of the Group based on his insight and experience from an independent viewpoint, and proposes that he be reelected to serve as Outside Director.   |  |  |                                     |

| Candidate No.  | Name<br>(Date of birth)  | Career summary, and position and responsibility in the Company | Number of the Company's shares held  |   |
|--|--|--|--|---|
| 7  | New election<br>Outside<br>Independent<br><br><b>Hideaki Doki</b><br>(December 30, 1962)<br>60 years old | Apr. 1988  | Joined Intel K.K.  | - |
|  |  | Dec. 2009  | Supervising General Manager of Engineering Department of Technology Division                                 |   |
|  |  | June 2010  | Deputy General Manager of Technology Division  |   |
|  |  | June 2011  | General Manager of Technology Division   |   |
| Number of attendance at the Board of Directors meetings:   | -  | June 2012  | Executive Officer  | - |
|  |  | Oct. 2017  | Asia Pacific Regional Management, Technology Promotion Division/Technology Division Director/General Manager |   |
|  |  | Nov. 2017  | Managing Executive Officer in charge of Technology Division  |   |
|  |  | Apr. 2021  | Managing Executive Officer in charge of Technology Division 2  |   |
|  |  | (Significant concurrent positions outside the Company)         |  |   |
|  |  | None   |  |   |
| [Reason for nomination as candidate for Outside Director and outline of expected role]   |  |  |  |   |
| Hideaki Doki possesses extensive management experience and knowledge as Managing Executive Officer of the Technology Division at Intel K.K. as he supported product technologies, solved technological issues regarding the shift to AI for DX, and carried out other efforts. As the Company deems that he is an appropriate person to carry out the supervision of management by leveraging his knowledge and offering to the Company's management opinions and advice, the Company has nominated him as a candidate for Outside Director. |  |  |  |   |
| In order to facilitate the further growth of the Group, the Company expects him to supervise the management of the Group based on his insight and experience from an independent viewpoint, and proposes that he be reelected to serve as Outside Director.  |  |  |  |   |

Notes:

- There is no special interest between any of the candidates for Director and the Company.
- Nobuhiko Komeya, Seiji Takeda, and Hideaki Doki are candidates for Outside Director. If their election as Outside Director is approved, the Company plans to designate them as an Independent Officer as provided for by the Tokyo Stock Exchange and report them as such to the exchange.
- If the election of candidates for Outside Director Nobuhiko Komeya, Seiji Takeda, and Hideaki Doki is approved, pursuant to Article 427, paragraph (1) of the Companies Act, the Company plans to enter into agreements with them to limit their liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under the agreements is the minimum liability amount provided for by Article 425, paragraph (1) of the same Act.
- "Number of the Company's shares held" is the substantive number of shares, including the number of shares held through the shareholding association of officers as of April 30, 2023.
- The Company also intends to enter into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. Said policy is to provide coverage for legal damages and litigation costs should an insured party become subject to a claim for damages during the period of insurance coverage, arising due to actions he or she has taken based on his or her position. However, the aforementioned insurance policy shall not provide coverage for damages arising from actions such that have been deemed to involve illegal gain or benefit by the insured party, or criminal activity, malfeasance, or fraud, or violation otherwise of laws, regulations, or rules governing Directors. The full amount of the insurance premiums for all the insureds are borne by the Company. If each candidate assumes office as Director, the Company plans to include each of them as an insured in the insurance policy and renew the said policy as of April 1, 2024.

**Proposal No. 2 Election of One Audit & Supervisory Board Member**

The term of office of Audit & Supervisory Board Member Katsuyuki Yamaguchi will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of one Audit & Supervisory Board Member. The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

| Name                | Position in the Company                  |                     |
|---------------------|--|---------------------|
| Katsuyuki Yamaguchi | Outside Audit & Supervisory Board Member | Reelection, Outside |

| Name<br>(Date of birth)  | Career summary and position in the Company  | Number of the<br>Company's<br>shares held |
|--|---|---|
| <p style="text-align: center;">Reelection<br/>Outside</p> <p style="text-align: center;"><b>Katsuyuki Yamaguchi</b><br/>(September 22, 1966)<br/>56 years old</p> <p>Number of attendance at the<br/>Board of Directors meetings:<br/>18/18 (100%)</p> <p>Number of attendance at the<br/>Audit &amp; Supervisory Board<br/>meetings:<br/>14/14 (100%)</p>   | Apr. 1991 Registered with Dai-ichi Tokyo Bar Association<br>Joined Nishimura & Partners (currently Nishimura & Asahi) | 15,595                                    |
|  | Jan. 1998 Registered as an attorney, admitted in New York State, the<br>U.S.A.  |   |
|  | Aug. 2000 Attorney and Partner of Nishimura & Partners (currently<br>Nishimura & Asahi)                               |   |
|  | Mar. 2001 Outside Company Auditor of Rakuten, Inc. (currently<br>Rakuten Group, Inc.) (current position)              |   |
|  | July 2007 Outside Audit & Supervisory Board Member of the<br>Company (current position)                               |   |
|  | Mar. 2011 Outside Audit & Supervisory Board Member of Jupiter<br>Telecommunications Co., Ltd.                         |   |
|  | June 2015 Outside Audit & Supervisory Board Member of Hakuhodo<br>DY Holdings Inc.                                    |   |
|  | June 2015 Statutory Auditor of Hakuhodo DY Media Partners Inc.  |   |
|  | Sept. 2018 Managing Partner of Nishimura & Asahi NY LLP (current<br>position)   |   |
|  | Sept. 2021 External Director (Member of the Audit and Supervisory<br>Committee) of BrainPad Inc. (current position)   |   |
| (Significant concurrent positions outside the Company)<br>Managing Partner of Nishimura & Asahi NY LLP<br>Outside Audit & Supervisory Board Member of Rakuten Group, Inc.<br>External Director (Member of the Audit and Supervisory Committee) of<br>BrainPad Inc.   |   |   |
| <p>[Reason for nomination as candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>Katsuyuki Yamaguchi possesses rich experience and knowledge of corporate legal affairs and IT-related legal affairs as an attorney. The Company proposes that he be elected because it expects to utilize his experience and knowledge in its auditing. Although he has never been involved directly in corporate management, he has sufficient knowledge to conduct the audit work of a company, therefore, the Company deems that he will appropriately fulfill his duties as an Outside Audit &amp; Supervisory Board Member.</p> |   |   |

Notes:

1. The candidate for Audit & Supervisory Board Member Katsuyuki Yamaguchi is Managing Partner of Nishimura & Asahi NY LLP. The Company has signed a legal advisory agreement with Nishimura & Asahi.
2. Candidate for Outside Audit & Supervisory Board Member Katsuyuki Yamaguchi currently serves as Outside Audit & Supervisory Board Member of the Company. At the conclusion of this Meeting, his tenure since assuming office as Outside Audit & Supervisory Board Member will have been 16 years.
3. Candidate for Outside Audit & Supervisory Board Member Katsuyuki Yamaguchi currently serves as Outside Audit & Supervisory Board Member of the Company. The Company has entered into a limited liability agreement with him in which the maximum amount of his liability shall be equal to the minimum liability amount provided for in Article 425, paragraph (1) of the Companies Act. In the event that his reelection is approved, the Company plans to continue the said limited liability agreement with him.
4. "Number of the Company's shares held" is the substantive number of shares, including the number of shares held through the shareholding association of officers as of April 30, 2023.
5. The Company also intends to enter into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. Said policy is to provide coverage for legal damages and litigation costs should an insured party become subject to a claim for damages during the period of insurance coverage, arising due to actions he or she has taken based on his or her position. However, the aforementioned insurance policy shall not provide coverage for damages arising from actions such that have been deemed to involve illegal gain or benefit by the insured party, or criminal activity, malfeasance, or fraud, or violation otherwise of laws, regulations, or rules governing Audit & Supervisory Board Members. The full amount of the insurance premiums for all the insureds are borne by the Company. If the candidate assumes office as Audit & Supervisory Board Member, the Company plans to include him as an insured in the insurance policy and renew the said policy as of April 1, 2024.

## Criteria for Election of Independent Officers

- (i) They shall not be an executive (including a non-executive director, Audit & Supervisory Board Member, etc.) of the Group.
- (ii) They shall not be an entity for which the Group is a major business partner, nor a major business partner of the Group.
- (iii) They shall not be a major lender to the Group.
- (iv) They shall not have received from the Group substantial monies or assets, other than directors' remuneration, in consideration for specialist services related to the law, finance or tax and suchlike.
- (v) They shall not be an accounting auditor of the Group, nor a certified public accountant that is an accounting advisor to the Group.
- (vi) They shall not have received substantial donations from the Group.
- (vii) They shall not be an entity of which the Group is a major shareholder, nor a major shareholder of the Group.
- (viii) They shall not have a cross-shareholding relationship with the Group.
- (ix) They shall not have a relationship involving mutual exchange of officers with the Group.
- (x) In cases where in (ii) to (ix) above the entity is an organization such as a corporation, any person affiliated with said organization.
- (xi) They shall not be close relatives (the spouse, or relatives within the second degree of kinship) of the person in (i) to (ix) above.
- (xii) The monetary amount in (iv) and (vi) above shall be deemed as "substantial" if it is more than ¥10 million.

Reference: Skills Matrix

|                           | Position and office, etc.   | Gender | Outside | Insight related to corporate management | Industry insight          |                      |                                  | Insight related to marketing | Insight related to international business | Insight related to labor and HR | Insight related to finance and accounting | Insight related to legal affairs and governance | Expe-<br>ri-<br>se                        |
|---------------------------|---|--------|---------|---|---------------------------|----------------------|----------------------------------|------------------------------|---|---------------------------------|---|---|---|
|                           |   |        |         |   | 5G Infrastructure Support | 5G Lifestyle Support | Enterprise/Creator 5G DX Support |                              |   |                                 |   |   | Qualifications related to business duties |
| Board of Directors        | Atsuki Ishida<br>Representative Director and President<br>CEO and CTO | Male   |         | •                                       | •                         | •                    | •                                | •                            | •   |                                 |   |   |   |
|                           | Takashi Shimizu<br>Director and Executive Vice President<br>CFO       | Male   |         |   | •                         | •                    |                                  |                              |   | •                               | •   |   |   |
|                           | Koichi Tomomatsu<br>Director and COO                                  | Male   |         |   |                           |                      | •                                |                              | •   |                                 |   |   |   |
|                           | Ikuko Wada<br>Director and CSO  | Female |         |   | •                         | •                    |                                  |                              | •   | •                               | •   |   |   |
|                           | Nobuhiko Komeya<br>Outside Director                                   | Male   | •       | •                                       | •                         | •                    |                                  | •                            | •   | •                               | •   | •   |   |
|                           | Seiji Takeda<br>Outside Director                                      | Male   | •       | •                                       |                           | •                    | •                                | •                            |   |                                 |   |   |   |
|                           | Hideaki Doki<br>Outside Director                                      | Male   | •       |   | •                         |                      |                                  | •                            | •   | •                               |   |   |   |
| Audit & Supervisory Board | Shuichi Shino<br>Standing Audit & Supervisory Board Member            | Male   |         | •                                       |                           |                      |                                  |                              |   | •                               | •   |   |   |
|                           | Akihiro Matsuoka<br>Standing Outside Audit & Supervisory Board Member | Male   | •       | •                                       |                           |                      |                                  |                              |   | •                               | •   |   |   |
|                           | Katsuyuki Yamaguchi<br>Outside Audit & Supervisory Board Member       | Male   | •       | •                                       |                           |                      |                                  |                              | •   |                                 | •   | Attorney-at-law                                 |   |
|                           | Hiroaki Yatabori<br>Outside Audit & Supervisory Board Member          | Male   | •       |   |                           |                      |                                  |                              |   | •                               | •   | Certified public accountant                     |   |
| Total                     |   |        | 6       | 6                                       | 5                         | 5                    | 3                                | 4                            | 4   | 4                               | 6   | 7   |   |

The matrix above does not show all of the skills, experience, abilities and other insight and accomplishments of each person. “Experience” for each item refers, in principle, to a total of three or more years of service in the relevant duties or office.

### **Proposal No. 3 Approval of the Measures to Respond to a Large-scale Purchase, etc. of the Company's Shares, etc. (Takeover Defense Measures)**

The Company resolved, at its Board of Directors' meeting held on May 18, 2023, to establish the basic policy on the persons who control decisions on the Company's financial and business policies (meaning the one stipulated in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; hereinafter referred to as the "Basic Policy") and to introduce measures to respond to a large-scale purchase, etc. of the Company's shares, etc. (takeover defense measures) (hereinafter referred to as the "Plan") as follows, as one of efforts to prevent the determination of the Company's financial and business policies from being controlled by an inappropriate person in light of the Basic Policy (meaning efforts stipulated in (b) (2) of the said item). At the above Board of Directors' meeting, the introduction of the Plan was approved by consent of all the Company's Directors including one Independent Outside Director, and all four Audit & Supervisory Board Members of the Company including two Outside Audit & Supervisory Board Members attended the meeting and expressed the opinion that they had no objection.

The Plan came into effect as of May 18, 2023. However, from the perspective of reflecting shareholders' intention more, it shall be repealed immediately if approval of shareholders cannot be received for the proposal for approval of the introduction of the Plan at this Ordinary General Meeting of Shareholders.

Accordingly, the Company requests approval of its shareholders for the Plan to be introduced. The details of the Plan are as follows.

If the Companies Act, the Financial Instruments and Exchange Act and other laws and regulations, and rules, cabinet orders, cabinet office ordinances, ministerial ordinances, etc. related thereto as well as rules of financial instruments exchanges on which the Company's shares, etc. are listed, and others (hereinafter collectively referred to as "laws and regulations, etc.") are amended (including change of names of laws and regulations, etc. and establishment of new laws and regulations, etc. that succeed to former laws and regulations, etc.; The same shall apply hereinafter.) and the amendment comes into force, each provision of laws and amendments, etc. quoted in the Plan shall be replaced by each provision of the amended laws and regulations, etc. which effectively succeed to them, except as separately prescribed by the Company's Board of Directors.

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

As an entity whose shares are listed on a financial instruments exchange, the Company respects free trading of its shares at markets, and does not necessarily reject even a large-scale purchase, etc. of its shares by a certain person (as defined in III. 2. (1) a. below; The same shall apply hereinafter.), as long as such a purchase contributes to ensuring and enhancing the Group's corporate value and, in turn, the common interests of shareholders. In addition, we believe that ultimately, it should be left to the discretion of our shareholders whether or not to accept a proposal for large-scale purchase of shares.

However, among proposals for large-scale purchase of shares, there may be proposals that could undermine the Group's corporate value and, in turn, the common interests of shareholders, for example those which may prevent the Group from keeping good relationships with stakeholders, proposals that do not necessarily reflect value of the Group sufficiently, or proposals in which sufficient necessary information is not provided for shareholders to make a final decision.

We think that in such proposals, in cases where there is a risk that large-scale purchase, etc. may prevent enhancement of the Group's corporate value or maximization of the common interests of shareholders, including the case where sources of the Group's corporate value are damaged in the medium to long term, the Company's Board of Directors need to take an appropriate measure to enhance the Group's corporate value and maximize the common interests of shareholders, depending on circumstances, to the extent that laws and regulations, etc. and the Company's Articles of Incorporation permit, as a natural duty of a trustee who has the duty of care of a good manager, deeming the large-scale purchaser (as defined in III. 2. (1) a. below; The same shall apply hereinafter.) inappropriate as a person who controls decisions on the Company's financial and business policies.

#### **II. Special initiatives that contribute to the realization of the Basic Policy**

##### **1. Description of the Group's businesses**

Having its corporate philosophy of "Being The NET Frontier! (We work to expand the Internet to contribute to society)," the Group mainly offers Internet-related services for corporate and individual customers with

the accumulation of technological capabilities which have been cultivated through development of core technologies related to the Internet and operation of large-scale network systems as its strength.

## 2. Initiatives to enhance corporate value

Positioning the period from the fiscal year ended April 30, 2021 to the fiscal year ending April 30, 2024 as the period when non-continuous technologies of 5G (fifth generation mobile communication system)/Web3 (next-generation distributed Internet)/AI begin to become popular, the Group is pursuing the medium-term management plan SiLK VISION 2024 (hereinafter referred to as the “Medium-term Management Plan”) aimed at achieving steady growth of existing businesses and generating profit from them as well as catching up with state-of-the-art technologies and setting up business models using those technologies. In the Web3 field, among them, some positive results are being achieved, including the commencement of capital and business alliance with ALPS ALPINE CO., LTD. (hereinafter referred to as “ALPS ALPINE”), with accomplishments such as success in operation of the world’s top five blockchain nodes in layer 1 blockchains in the world in terms of the number (according to research by the Company on the announced number of blockchain nodes publicly available on the Internet as of March 9, 2023).

Furthermore, 5G/Web3/AI and other technologies are highly likely to have a destructive impact on the performance zone to which most of the Group’s existing businesses belong through the widespread of these technologies in the future. For example, we are working on the Medium-term Management Plan, assuming even the possibility that in the 5G era, the shift from current fixed-line network to wireless network (5G and 6G) will also progress for the Internet-access service for collective housing provided by GIGAPRIZE Co., Ltd. (GIGAPRIZE), a consolidated subsidiary of the Company. We also strive to gain understanding of investors for the necessity.

In addition, as a “Platformer Maker in the 5G/Web3 era” the Group is aiming to expand its businesses through Exponential Technology, “technologies that grow exponentially.” Considering the fields of mobile revolution, lifestyle revolution, and production revolution to be growth fields globally to the Group, it is forging ahead with the Medium-term Management Plan by focusing on these fields while contributing to the realization of a sustainable society.

Moreover, from the fiscal year ended April 30, 2022, the Group has changed its business segments to correspond to the fields of mobile revolution, lifestyle revolution, and production revolution, and conducts business operations based on zone management aimed at sustainable growth.

The zone management is aimed at medium- to long-term growth of the Group. It positions the mobile revolution field/5G infrastructure support business segment to which most of existing businesses belong as Performance Zone, 5G Lifestyle in the lifestyle revolution field/5G lifestyle support business segment as Transformation Zone, and 5G Workstyle and 5G Healthstyle in the lifestyle revolution field/5G lifestyle support business segment and the production revolution field/corporate and creator 5G DX support business as Incubation Zone, and promotes the transition to Performance Zone through business growth in Transformation Zone and the creation of growth businesses from Incubation Zone in the next medium-term management plan, using revenue in Performance Zone as funds. Positioning 10 years from the fiscal year ended April 30, 2021 as “10 years from popularization to development of 5G/Web3/AI,” the Group aims to achieve continuous growth by pursuing the Medium-term Management Plan and other management plans.

In the future spread of 5G StandAlone (communications standard of 5G only that is not used in combination with LTE) system, customers for the MVNE (Mobile Virtual Network Enabler) business, the Group’s core business, also include IoT (Internet of Things) operators, etc. who have their eyes on the 5G era in addition to traditional MVNOs (Mobile Virtual Network Operators) and general individuals and corporations. The Group needs to appropriately respond to requests of such customers by providing services that accommodate their needs.

Furthermore, for purposes such as making a huge number of network connections related to these businesses securely and brokering transactions between their customers/devices through a distributed organization or mechanism that does not depend on platformers as much as possible, the Company needs to compose its building blocks (interface that enables orders and functions necessary for software development to be used easily from external applications) based on certain design thinking (enterprise architect thinking), and provides solution services and makes proposals for joint businesses, for example by responding to Web3/AI technologies in addition to 4G/5G communications technologies, and understanding true customer needs more than merely delivery and operation of products. In addition, recognizing that the future widespread of 5G StandAlone is a chance to the Group and also a challenge to be addressed from now, the Group is



working as a team for business development related to 5G/Web3/AI.

The Company, GIGAPRIZE, a consolidated subsidiary of the Company, and ALPS ALPINE have already initiated technological cooperation, and announced to launch a vertically-integrated, joint demonstration experiment in LIVINGTOWN Minatomirai provided by GIGAPRIZE and others, using “5G communications device assessment kit” for public/local 5G, etc. provided by ALPS ALPINE. Through this joint demonstration experiment, we will strengthen our efforts for lifestyle including IoT and housing space in the 5G field by combining the Company’s Web3 technology with GIGAPRIZE’s business development ability/support ability and ALPS ALPINE’s device capabilities/sensor technologies.

As part of efforts to respond to such changes, the Company has implemented the capital and business alliance with ALPS ALPINE, which was started on April 18, 2023. In addition, considering the introduction of the Plan indispensable for the Group’s achieving sustainable growth in accordance with the corporate philosophy, the Group will live up to expectations of shareholders and other stakeholders by even further enhancing its corporate value.

### 3. Strengthening of corporate governance

#### a. Basic view on corporate governance

The Group aims to be an attractive value-creating company with a high level of technological prowess and service development capabilities as its core strength. In addition, we believe that in order to maximize the corporate value and fulfill corporate social responsibility, it is essential to establish a highly transparent management structure that enables us to promptly respond to changes in the environment, and pursue compliance management.

#### b. Overview of corporate governance structure and reasons for adopting the structure

Thinking that functions of monitoring and supervising management can be secured through mutual surveillance by Directors and audits by Audit & Supervisory Board Members, the Company has adopted the director and audit & supervisory board systems. Moreover, we strive to strength monitoring and supervision of officers executing business, etc. by appointing multiple Outside Directors and Outside Audit & Supervisory Board Members. In addition, we are proceeding with establishment of the system for skills portfolio of executives that looks to the 5G/Web3/AI era, and working to realize the appointment of Outside Directors skilled at the technological field and the internationality area to enrich the skills portfolio in this field and area.

While regularly holding a meeting once a month, the Board of Directors meets as needed, and makes decisions and supervises execution of operations from a wide-ranging standpoint. Furthermore, as well as matters stipulated in laws and regulations, the Articles of Incorporation, and the Board of Directors Rules, it discusses and resolves a broad range of matters. Four Audit & Supervisory Board Members also attend the Board of Directors meetings and conduct audits of the execution of operations by Directors.

The Audit & Supervisory Board consists of two Standing Audit & Supervisory Board Members and two part-time Audit & Supervisory Board Members, and holds a meeting once a month. Each Audit & Supervisory Board Member attends important meetings based on the annual audit plan formulated by the Audit & Supervisory Board, and audits the execution of operations by Directors through research of operations as well as various documents and vouchers. Audit & Supervisory Board Members, the Internal Audit Office and the Accounting Auditor strive to improve the auditing function through cooperation including exchange of information and opinions.

In addition, objective effectiveness evaluation for the Board of Directors is implemented by an external organization each year. As for matters pointed out by the external organization such as management strategy, risk management and compliance, we formulate an improvement plan, and steadily make improvements and promote enhancement of quality of corporate management by steadily implementing the plan.

#### c. Others

Other than the above, the Company works to reinforce corporate governance while taking into consideration the latest Corporate Governance Code. For details of the Company’s corporate governance structure, please refer to its corporate governance report (<https://freebit.com/profile/gov.html>).

### III. Efforts to prevent the determination of the Company's financial and business policies from being controlled by an inappropriate person in light of the Basic Policy

#### 1. The purpose of the Plan

As described in I. above, the Company thinks that the need to take some measures against a large-scale purchaser may arise, depending on circumstances. Yet, the Company believes that as it is a listed company, basically, the judgment of whether or not shares should be sold to the large-scale purchaser and whether or not the final judgment of entrusting company management with the large-scale purchaser is appropriate should be left up to the discretion of individual shareholders.

In our view, however, in order for shareholders to make an appropriate judgment, as a prerequisite, it is necessary for shareholders to appropriately understand the Group's corporate value and sources generating the value by taking fully into account business nature inherent to the Company and the Group and the history of the Company and the Group. In addition, since it can be easily assumed that the information provided by the large-scale purchaser may be insufficient to understand how its acquisition of controlling shares of the Company could affect the Group's corporate value and sources of the value, we believe that in order for shareholders to make an appropriate judgement, it is necessary to take into account information provided by the Company's Board of Directors which fully understands business nature inherent to the Company and the Group as well as assessment and opinions of the Company's Board of Directors on the acquisition of controlling shares by the large-scale purchaser, and in some situations, a new proposal made by the Company's Board of Directors.

Therefore, the Company thinks that it is very important to secure sufficient time for shareholders to analyze and examine such multifaceted information.

From the above standpoint, the Company has concluded, based on the above Basic Policy, that the Company will request large-scale purchasers to provide necessary information on their large-scale purchase, etc. and secure a time period for consideration and negotiation in order to enable shareholders to appropriately judge whether or not the large-scale purchase should be accepted, and enable the Company's Board of Directors to present an opinion for or against the large-scale purchase or a business plan replacing a purchase proposal or business plan, etc. presented by the large-scale purchaser (hereinafter referred to as "alternative proposal(s)") to shareholders following advice from the Independent Committee (as defined in 2. (1) e. below; The same shall apply hereinafter.) or to negotiate with the large-scale purchaser on behalf of shareholders, among others, and thus, the introduction of the Plan is necessary as one of efforts to prevent the determination of the Company's financial and business policies from being controlled by an inappropriate person in light of the Basic Policy. Needless to say, it is desirable to confirm intention of shareholders upon the introduction of the Plan. Therefore, the Company has determined that the Plan shall come into effect as of May 18, 2023, but it will confirm intention of shareholders about the Plan at this Ordinary General Meeting of Shareholders, and if approval of shareholders is not obtained, the Plan shall be abolished immediately.

For the above reasons, although the Company's Board of Directors had the Plan come into effect as of May 18, 2023, it has determined the introduction of the Plan on the premise that it will confirm intention of shareholders through submitting a proposal for approval of the introduction of the Plan, and if approval of shareholders is not obtained, the Plan shall be abolished immediately.

The status of major shareholders of the Company as of April 30, 2023 is as described in Appendix 1 "Status of shareholdings of the Company's major shareholders." As of April 30, 2023, HIKARI TSUSHIN, INC., UH Partners 2, Inc., UH Partners 3, Inc. and System Integrating Laboratory Co., Ltd. (hereinafter collectively referred to as "HIKARI TSUSHIN, etc.") owned 24.03% of the Company's shares in terms of the ownership ratio of share certificates, etc. as joint holders, followed by Atsuki Ishida, Representative Director and President of the Company, holding 15.02%, and then ALPS ALPINE holding 14.99%. As at the time of introducing the Plan, the ownership ratio of share certificates, etc. of HIKARI TSUSHIN, etc. exceeded 20%. Reasonably enough, if HIKARI TSUSHIN, etc. conducts acquisition of additional shares of the Company or any other large-scale purchase, etc. after the introduction of the Plan, HIKARI TSUSHIN, etc. will be subject to application of the Plan, and if HIKARI TSUSHIN, etc. does not conduct acquisition of additional shares of the Company or any other large-scale purchase, etc. after the introduction of the Plan, HIKARI TSUSHIN, etc. will not be subject to application of the Plan.

At this time, there is no fact that the Company has received a proposal for a large-scale purchase, etc. of the Company's share certificates, etc. from any specific third party.

## 2. The contents of the Plan

The Plan establishes rules to be observed by any person who tries to make a large-scale purchase, etc. of the Company's shares and others as follows, and gives warning to any person who tries to make a large-scale purchase, etc. of the Company's shares and others which does not contribute to the Group's corporate value and, in turn, the common interests of shareholders, by clarifying that there is a possibility that in certain cases, damage may be caused to any person who tries to make a large-scale purchase, etc. by the Company's taking countermeasures and disclosing this information appropriately.

### (1) Procedures for the Plan

#### a. Targeted large-scale purchase, etc.

The Plan shall be applicable to cases where purchase of the Company's shares that falls, or may fall, under any of the items in (i) to (iii) below, or any similar action (excluding actions approved by the Company's Board of Directors; these actions are hereinafter referred to as "large-scale purchase, etc.") is, or is about to be, conducted. Any person who conducts, or tries to conduct, a large-scale purchase, etc. (hereinafter referred to "large-scale purchaser") must follow the procedures stipulated in advance in the Plan.

- (i) Purchase or any other acquisition <sup>(3)</sup> as a result of which the ownership ratio of shares, etc. of a certain shareholder of the Company <sup>(2)</sup> would become 20% or more with regard to shares, etc. issued by the Company <sup>(1)</sup>
- (ii) Purchase or any other acquisition <sup>(7)</sup> as a result of which the ownership ratio of shares, etc. of a certain shareholder of the Company <sup>(5)</sup> or the ownership ratio of shares, etc. of the shareholder's specially related parties <sup>(6)</sup> would become 20% or more with regard to shares, etc. issued by the Company <sup>(4)</sup>
- (iii) Regardless of whether or not each action specified in (i) or (ii) above was taken, any action which is an act conducted by a certain shareholder of the Company with the Company's other shareholder (including the case of multiple shareholders; The same shall apply hereinafter in this item (iii).) and is an agreement or any other act as a result of which the other shareholder would fall under a joint holder of the certain shareholder, or action which establishes a relationship between the certain shareholder and the other shareholder <sup>(8)</sup> in which one party virtually controls the other party or those parties act jointly or collaboratively <sup>(9)</sup> (limited to the case where the total ownership ratio of shares, etc. issued by the Company of the certain shareholder and the other shareholder would become 20% or more)

#### b. Submission of Letter of Intent to the Company Beforehand

Prior to the implementation of a large-scale purchase, etc., large-scale purchasers shall submit a document stating a pledge, etc. that the large-scale purchaser follows the procedures stipulated in the Plan upon the large-scale purchase, etc. (hereinafter referred to as "Letter of Intent") in the form designated by the Company in Japanese.

Specifically, the following matters shall be described in the Letter of Intent. If the large-scale purchaser is a company or any other corporate body, its Articles of Incorporation, certificate of full registry records (or its equivalent), and non-consolidate and consolidated balance sheets and statements of income for the last five fiscal years shall be submitted together with the letter.

- (i) Summary of the large-scale purchaser
  - (a) Name and address
  - (b) If the large-scale purchaser is a company or any other corporate body, name and biography for the past 10 years of each of its representative director(s), directors (or any equivalent position; The same shall apply hereinafter.) and audit & supervisory board members (or any equivalent position; The same shall apply hereinafter.)
  - (c) If the large-scale purchaser is a company or any other corporate body, its purpose and business description
  - (d) If the large-scale purchaser is a company or any other corporate body, overview of its direct/indirect major shareholders or major investors (top 10 shareholders or investors in terms of

the shareholding ratio or investing ratio) and ultimate, effective controlling shareholders (investors)

- (e) Contact in Japan
- (f) If the large-scale purchaser is a company or any other corporate body, the law governing the incorporation
- (g) Name, address of the head office and business description of major investees as well as the shareholding ratio or investing ratio in those major investees
- (ii) Number of the Company's shares, etc. currently held by the large-scale purchaser, and status of trading of the Company's shares, etc. by the large-scale purchaser in the 60 days before the submission of the Letter of Intent
- (iii) Overview of the large-scale purchase, etc. proposed by the large-scale purchaser (including the class and number of the Company's shares, etc. to be acquired by the large-scale purchaser through the large-scale purchase, etc. and purpose of the large-scale purchase, etc. (if it is acquisition of control or management participation, pure investment or cross-shareholding, transfer of the Company's shares, etc. to a third party after the large-scale purchase, or any other purpose such as an act of making important suggestion <sup>(10)</sup>, that intent and the content; if there are multiple purposes, all of them shall be stated))

c. Provision of the Necessary Information

If the Letter of Intent specified in b. is submitted, the large-scale purchaser shall provide the Company with information necessary and sufficient for judgement of shareholders and investors and assessment and consideration, etc. of the Company's Board of Directors on the large-scale purchase, etc. (hereinafter referred to as the "Necessary Information") in Japanese.

First, the Company sends the information list, which states information to be initially submitted, to the large-scale purchaser at the contact in Japan described in b. (i) (e) within 10 business days after the submission of the Letter of Intent <sup>(11)</sup> (the day of the submission is not included), and then the large-scale purchaser shall submit sufficient information according to the information list.

In addition, if the Company's Board of Directors or Independent Committee reasonably judges, in light of the content and form of the large-scale purchase, etc., among others, that information provided by the large-scale purchaser according to the information list is not sufficient for judgement of shareholders and investors and assessment and consideration, etc. of the Company's Board of Directors, the large-scale purchaser shall provide additional information that the Company's Board of Directors or Independent Committee separately requests, with the response deadline designated appropriately. The request to provide additional Necessary Information can be repeated until the Company's Board of Directors or Independent Committee considers that the Necessary Information was fully provided. However, even if the Company's Board of Directors or Independent Committee does not consider that the Necessary Information was fully provided, the final response deadline shall not exceed 60 days from the day when the large-scale purchaser receives the information list (however the deadline may be extended to the necessary extent if the large-scale purchaser, etc. makes a request; hereinafter referred to as the "Necessary Information Provision Period").

Regardless of the content and form of the large-scale purchase, etc., among others, information regarding each of the following items shall be included in the part of the information list in principle.

- (i) Details (including history, specific name, address, law governing the incorporation, capital structure, investees, investing ratio in investees, business description, financial details, details of investment policies, details of investing and financing activities within the past 10 years, whether or not it falls under a "foreign investor" set forth in Article 26, paragraph 1 of the Foreign Exchange and Foreign Trade Act (hereinafter referred to as the "foreign exchange act") and the relevant supporting information, whether or not there was any law violation in the past 10 years (and summary of the violation, if any), and names, biography in the past 10 years and whether or not there was any law violation in the past (and summary of the violation, if any) of executives) of the large-scale purchaser and its group (including major shareholders or investors (whether direct or indirect; The same shall apply hereinafter.), significant subsidiaries/affiliate, joint holders and specially related parties; in the case of a fund or an entity related to its capital contribution (regardless of whether it was established under the laws of Japan or under foreign laws, and

regardless of the legal form; hereinafter referred to as “fund, etc.”), or in the case where there is any fund, etc. that is effectively controlled or managed by the purchaser, etc., its major partners, investors and other members, and those who continue to provide advice on investments are included; The same shall apply hereinafter.).

- (ii) Specific details of internal control system of the large-scale purchaser and its group (including group internal control system), and whether or not the system is effective, or status of the system
- (iii) Purpose (details of the purpose disclosed in the Letter of Intent), method and content (including presence or absence of intention to participate in management, class and number of the Company’s shares, etc. that are subject to the large-scale purchase, etc., type and amount of consideration for the large-scale purchase, etc., timing of the large-scale purchase, etc., mechanism of related transactions, number of the Company’s shares, etc. to be purchased and ownership ratio of shares, etc. after the large-scale purchase, etc. was conducted, legality of the method of the large-scale purchase, etc., feasibility of the large-scale purchase, etc. and related transactions (if the large-scale purchase, etc. depends on certain conditions, the content of the conditions), policy of holding the Company’s shares, etc. after the completion of the large-scale purchase, etc., and if the Company’s shares are likely to be delisted, that information and the reason; Regarding legality of the method of the large-scale purchase, etc., a written opinion of a qualified attorney-at-law shall also be submitted) of the large-scale purchase, etc.
- (iv) Base and background for calculation of consideration for the large-scale purchase, etc. (including facts/assumptions underlying the calculation, calculation method, numerical information used for the calculation and contents of synergy and dis-synergy expected to be generated from a series of transactions related to the large-scale purchase, etc., in the case where opinions of a third party are obtained in the calculation, name of and information on the third party, overview of the opinion, and background to determining the amount in light of the opinion)
- (v) Evidence supporting funds for the large-scale purchase, etc. (specific names of the providers of the funds (including effective providers (whether direct or indirect)), financing method, presence or absence and content of conditions for provision of the funds, presence or absence and content of collateral or covenants after the provision of the funds, and specific details of related transactions)
- (vi) Presence or absence of communications (including communications related to conducting an act of making important suggestion to the Company; The same shall apply hereinafter.) with a third party upon the large-scale purchase, etc., and if there are such communications, specific form and content of the communications and overview of the third party
- (vii) Status of holding of the Company’s shares, etc. by the large-scale purchaser, etc. and its group, status of holding derivatives and other financial derivative instruments with the Company’s shares, etc. or assets related to the Company’s or the Group’s businesses as underlying assets and their contract status, and status of loan stock, borrowed stock, short selling, etc. of the Company’s shares, etc.
- (viii) If there is a lease agreement, collateral agreement, reverse repurchase agreement, purchase-sale reservation, or any other important agreement or arrangement related to the Company’s shares that the large-scale purchaser, etc. and its group already hold (hereinafter referred to as “collateral agreement, etc.”), type of the agreement, counterparty to the agreement, and specific details of the collateral agreement, etc. such as volume of the Company’s shares, etc. that are subject to the agreement
- (ix) If conclusion of a collateral agreement, etc. or any other agreement with a third party is scheduled with regard to the Company’s shares to be acquired by the large-scale purchaser, etc. in the large-scale purchase, etc., type of the scheduled agreement, counterparty to the agreement, and specific details of the covenants such as volume of the Company’s shares, etc. that are subject to the agreement
- (x) Information on the Company’s and the Group’s management policy intended after the completion of the large-scale purchase, etc., and biography and other details of director candidates to be sent after the completion of the large-scale purchase, etc. (including information on knowledge, experience, etc. in businesses similar to the Company’s and the Group’s businesses), business plan, financial plan, funding plan, investment plan, capital policy, dividend policy, and others (including

a plan for sale, pledge of collateral and other disposal of the Company's and the Group's assets after the completion of the large-scale purchase, etc.)

- (xi) Policy of treatment, etc. of the Company's and the Group's executives, employees, labor union, business partners and customers, and local governments and other stakeholders related to the Company and the Group after the completion of the large-scale purchase, etc.
- (xii) Specific measures to avoid conflicts of interest between the large-scale purchaser and other shareholders of the Company
- (xiii) Document stating a pledge that the large-scale purchaser does not fall under the category of abusive purchaser (as defined in e. (ii) below)
- (xiv) Regulatory matters under the foreign exchange act and other domestic and overseas laws and regulations, etc. which are applicable to the large-scale purchase, etc., and possibility of obtaining approval or permission, etc. to be obtained from the Japanese and foreign governments or a third party under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the foreign exchange act and other laws and regulations, etc. (Regarding these matters, a written opinion of an attorney-at-law qualified in the relevant legal jurisdiction shall also be submitted)
- (xv) Possibility of maintaining necessary permission under domestic and foreign laws and regulations, etc. in relation to management of the Company and the Group after the completion of the large-scale purchase, etc., and possibility of compliance with regulations under domestic and foreign laws and regulations, etc.
- (xvi) Presence or absence of relationships with anti-social forces or terrorism-related organizations (whether direct or indirect), and if there is any relationship, its details

In accordance with applicable laws and regulations, etc., the Company's Board of Directors appropriately discloses a fact that a proposal for the large-scale purchase, etc. was made by the large-scale purchaser, and if there is any information deemed necessary for the judgment of shareholders and investors among the overview of the proposal, the overview of the Necessary Information and any other information, the Board of Directors discloses it promptly.

In addition, if the Company's Board of Directors or Independent Committee judges that the provision of the Necessary Information was completed (even if part of the information requested to be provided is not submitted, it may be treated as if the provision of the Necessary Information was completed when a reasonable explanation about the non-submission is deemed to have been made), or if the Necessary Information Provision Period expires, the Company promptly discloses to that effect pursuant to the applicable laws and regulations, etc. As stated in d. below, the Board of Directors Assessment Period (as defined in d. below) shall begin from the day following the date of the disclosure.

d. Setting of the Board of Directors Assessment Period, etc.

Depending of the difficulty level of assessment of the large-scale purchase, etc. and other factors, the Company's Board of Directors sets the period stated in (i) or (ii) below (each period shall begin from the day following the day when the Company's Board of Directors or Independent Committee judges that the provision of the Necessary Information was completed, or when the Company's Board of Directors or Independent Committee discloses the expiration of the Necessary Information Provision Period) as the period for assessment, consideration, negotiation, formation of opinions and planning of an alternative proposal by the Company's Board of Directors (hereinafter referred to as the "Board of Directors Assessment Period"), and promptly discloses to that effect in accordance with the applicable laws and regulations, etc.

- (i) A maximum of 60 days in the case of tender offer for all the Company's shares, etc. with only cash (yen) as consideration
- (ii) A maximum of 90 days in the case of other large-scale purchases, etc.

However, in either case of (i) and (ii) above, the Board of Directors Assessment Period may be extended only if the Company's Board of Directors considers that there is a reasonably necessary reason (the period of extension shall be up to 30 days). In this case, the Company informs the large-scale purchaser of the extension period and the specific reason for requiring the extension period, and discloses these matters to shareholders and investors pursuant to the applicable laws and regulations, etc.

In the Board of Directors Assessment Period, the Company's Board of Directors shall sufficiently assess

and consider the Necessary Information provided by the large-scale purchaser while appropriately obtaining advice from external experts and others as needed, and shall consider details of the large-scale purchase, etc. by the large-scale purchaser and take other actions from the perspective of securing and enhancing the Group's corporate value or the common interests of shareholders. The Company's Board of Directors carefully forms an opinion on the large-scale purchase, etc. as the Company's Board of Directors through such consideration, etc. and informs the large-scale purchaser of the opinion, while disclosing it to shareholders and investors in a timely and appropriate manner pursuant to the applicable laws and regulations, etc.

In addition, where needed, the Company's Board of Directors negotiates with the large-scale purchaser on conditions and method related to the large-scale purchase, etc., and furthermore, as the Company's Board of Directors, it may present an alternative proposal to shareholders and investors.

e. Recommendations of the Independent Committee on implementation of countermeasures

In the mechanism of the Plan, upon implementation of a countermeasure, etc., the Independent Committee as an organization to eliminate arbitrary decisions by the Company's Board of Directors and ensure objectivity and reasonableness of decisions and responses of the Company's Board of Directors (hereinafter referred to as the Independent Committee) is set up, and makes recommendations on pros and cons of the large-scale purchase, etc. and other matters to the Company's Board of Directors. In accordance with the Independent Committee Regulations (for the overview, please refer to Appendix 2), the Independent Committee shall consist of only members who are either Outside Director of the Company, Outside Audit & Supervisory Board Member of the Company or external experts (experienced corporate managers, former employees of government agencies, attorneys-at-law or academic experts, or any equivalent persons) and who are independent of the Company's management executing operations. The name and biographical information of each member of the Independent Committee at the time of introducing the Plan are as stated in Appendix 3.

In the Board of Directors Assessment Period, the Independent Committee shall make recommendations on pros and cons of implementation of countermeasures to the Company's Board of Directors in accordance with the following procedures, in tandem with the assessment, consideration, negotiation, formation of opinions and planning of an alternative proposal by the Company's Board of Directors stipulated in d. above. In doing so, the Independent Committee may receive advice from external experts (including investment banks, securities firms, financial advisers, certified public accountants, attorneys-at-law, consultants and other experts) who are independent of the Company's management executing operations at the Company's expense in order to ensure that judgements of the Independent Committee are made to contribute to securing and enhancement of the Group's corporate value or the common interests of shareholders. If the Independent Committee makes a recommendation stated in (i) or (ii) below to the Company's Board of Directors, the Company's Board of Directors promptly discloses the fact and overview of that recommendation, and other matters that the Company's Board of Directors considers appropriate pursuant to the applicable laws and regulations, etc.

(i) In the case where the large-scale purchaser fails to comply with the procedures set forth in the Plan

In the case where the large-scale purchaser breaches the procedures set forth in the Plan in material respects, if the breach is not rectified within five business days after the Company's Board of Directors demands the large-scale purchaser's rectification in writing (the day of the demand is not included), the Independent Committee recommends implementation of a countermeasure to the Company's Board of Directors in principle, unless it is obviously necessary not to implement a countermeasure in order to secure and enhance the Group's corporate value or the common interests of shareholders, or there are any other special circumstances.

(ii) In the case where the large-scale purchaser complies with the procedures set forth in the Plan

In the case where the large-scale purchaser complies with the procedures set forth in the Plan, the Independent Committee will in principle recommend to the Company's Board of Directors not to invoke countermeasures.

However, even if the procedures stipulated by the Plan are upheld, if the acquisition in question is recognized to have a significantly negative effect on the Group's corporate value or the common interests of shareholders due to, for example, any of the circumstances listed in (a) through (k) below (persons engaging in such actions are referred to below collectively as "hostile purchaser")

and exercising countermeasures is deemed appropriate, the Independent Committee may recommend exercising countermeasures as an exceptional measure.

- (a) Cases where a large-scale purchaser is deemed to be acquiring the Company's shares not with the intention of truly participating in corporate management but of artificially boosting the stock price in order to have the Company or relevant parties to the Company acquire the Company's shares at a premium ("greenmailer"), or where the purpose of acquiring the Company's shares is mainly to acquire short-term profit
- (b) Cases where a large-scale purchaser is deemed to be acquiring the Company's shares to control the Company's corporate management temporarily for the purpose of transferring assets of the Company or its group companies such as the intellectual property, knowhow, confidential corporate information, major client companies or customers, necessary for the business management of the Company or its group companies to either the large-scale purchaser themselves or their group companies
- (c) Cases where the large-scale purchaser is deemed to be acquiring the Company's shares for the purpose of using the Company's or its group companies' assets as either collateral or funds for the repayment of debt of the large-scale purchaser in question or its group companies after controlling the Company's management
- (d) Cases where the large-scale purchaser is deemed to be acquiring the Company's shares to control the Company's corporate management temporarily for the purpose of disposing of through sales, etc. high-value assets such as real estate or securities that have been unrelated to the business of the Company or its group companies for the time being to use those disposal credits to pay high dividends temporarily or to create an opportunity for a rapid increase in the stock price through temporarily high dividends to sell the Company's shares at the top of the market
- (e) Cases where it is deemed that the large-scale purchaser has shown no particular interest or involvement in the Company's management, and after acquiring the Company's shares, enacts various policies only to attempt to resell the Company's shares in a short, concentrated period to the Company itself or a third party, even ultimately considering the disposal of the Company's assets, purely out of pursuit of its own profit
- (f) Cases where it is deemed that the acquisition method of the Company's shares proposed by the large-scale purchaser limits the opportunities or freedom of choice by the shareholders, such as a so-called coercive two-stage purchase (all of the Company's shares are not solicited for purchase in the first stage, but in the second stage, unfair purchasing conditions are established, or the purchasing of shares is made through a tender offer without making this fact clear), and in reality, there is the risk of the shareholders being forced to sell the Company's shares (so-called coercion)
- (g) Cases where it is deemed that the purchasing conditions proposed by the large-scale purchaser (including but not limited to the type or amount of purchasing consideration, the basis of calculation for the amount in question, or other concrete details of the conditions (including the acquisition period or method), the presence of illegality, and the feasibility of the purchase) are dramatically insufficient or inappropriate in light of the Company's true corporate value
- (h) Cases where it is deemed that the acquisition of control by the large-scale purchaser significantly risks the protection and enhancement corporate value of the Group or the common interests of the shareholders, such as destroying relationships with the customers, employees, or other stakeholders that act as the source of corporate value, or that is expected to dramatically damage the corporate value of the Group or the common interests of the shareholders
- (i) Cases where it is deemed that the acquisition of control by the large-scale purchaser will result in the Group's future corporate value dramatically declining in the medium- to long-term compared to if the large-scale purchaser had not acquired control
- (j) Cases where the large-scale purchaser is deemed to be entirely inappropriate as a controlling shareholder from the standpoint of public policy, such as cases where the management team, major shareholders, or investors of the large-scale purchasers include persons related to antisocial forces or terrorist organizations
- (k) Other cases that correspond to (a) through (j) above that dramatically damage the Group's corporate value or the common interests of shareholders



f. Resolution of the Board of Directors

The Company's Board of Directors will respect the recommendations of the Independent Committee provided in e. above to the fullest extent, and based on the recommendations in question, from the standpoint of the protection and enhancement of the Group's corporate value or the common interests of shareholders, will promptly decide whether to exercise or not to exercise countermeasures and make other necessary resolutions.

Furthermore, even in the case that the Independent Committee makes a recommendation to hold a resolution not to exercise countermeasures, in the case where the Company's Board of Directors recognizes conditions that risk violating the Directors' duty of care of a good manager by respecting the recommendations of the Independent Committee to the fullest extent and following the recommendations, the Board of Directors may hold a resolution to exercise countermeasures, or, without holding a resolution not to exercise countermeasures, may convene a general meeting to confirm the intentions of shareholders using the method provided in g. below to confirm the shareholders intentions regarding the need to exercise countermeasures and the details thereof (hereinafter, "Convocation of the General Meeting of Shareholders for Confirmation of Intention").

Furthermore, even after the Company's Board of Directors has passed a resolution to exercise countermeasures or after countermeasures have been exercised, where (i) the large-scale purchaser cancels its large-scale purchasing actions or (ii) there are changes in the facts on which the decision to exercise countermeasures was based, and, it is deemed inappropriate to exercise countermeasures from the standpoint of the protection and enhancement of the Group's corporate value or the common interest of shareholders, the Company's Board of Directors will hold a resolution to cancel the exercise of countermeasures. For example, even in cases where a gratis allotment of stock acquisition rights is made as a countermeasure (hereinafter, "the Stock Acquisition Rights"), after the shareholders that should receive the allotment have been established, in the case of (i) or (ii) above, the Company's Board of Directors on the recommendation of the Independent Committee may cancel the gratis allotment of the Stock Acquisition Rights during the period up until the day prior to the effective date of the gratis allotment of the Stock Acquisition Rights, and furthermore, after the gratis allotment of the Stock Acquisition Rights takes effect, until the day prior to the day that the exercise period begins, the Company may cancel the exercise of countermeasures through a gratis acquisition of the Stock Acquisition Rights (the shareholders lose the Stock Acquisition Rights through the Company's gratis acquisition of the Stock Acquisition Rights).

Where the Company's Board of Directors conducts the above resolution, the Company will make a prompt disclosure according to the applicable laws and regulations, etc. providing an overview of the resolution in question including the evaluation, decision, and opinion of the Board of Directors regarding the need to exercise countermeasures and other items that the Board of Directors deems appropriate.

g. Convocation of the General Meeting of Shareholders for Confirmation of Intention

In the case where the large-scale purchaser fails to comply with the procedures set forth in the Plan and the Company's Board of Directors deems that it is appropriate to convene a General Meeting of Shareholders for Confirmation of Intention to confirm the intentions of shareholders on the need to exercise countermeasures based on the Plan, the Company's Board Directors shall convene of General Meeting of Shareholders for Confirmation of Intention as quickly as possible. Furthermore, even in the case where the large-scale purchaser complies with the procedures set forth in the Plan, where the Company's Board of Directors holds a resolution on the exercise of countermeasures from the standpoint of the protection and enhancement of the Group's corporate value or the common interests of shareholders, the Company's Board Directors shall convene of General Meeting of Shareholders for Confirmation of Intention as quickly as possible. In these cases, the Company's Board of shall disclose according to the appropriate laws and regulations, etc. details including the scope of shareholders that can exercise rights, the record date of the exercise of rights, and the date and time that the General Meeting of Shareholders for Confirmation of Intention will be held. Resolutions at General Meetings of Shareholders for Confirmation of Intention will be made by a majority of voting rights of shareholders present at the General Meeting of Shareholders for Confirmation of Intention in question who are entitled to exercise their voting rights. Where a proposal is adopted approving the exercise of countermeasures according to the Plan at the General Meeting of Shareholders in question, the Company's Board of Directors will hold a resolution to exercise countermeasures according to the Plan against the large-scale purchasing actions in question. Furthermore, where a proposal is rejected approving the exercise of

countermeasures according to the Plan at the General Meeting of Shareholders in question, countermeasures according to the Plan will not be exercised against the large-scale purchasing actions in question.

Even where convocation procedures have been undertaken for the General Meeting of Shareholders in question, thereafter, where the Company's Board of Directors passes a resolution not to exercise countermeasures, or, where the large-scale purchaser fails to comply with the procedures set forth in the Plan, where the Company's Board of Directors deems that it is appropriate to hold a resolution to exercise countermeasures, the Company may cancel the convocation procedures for the General Meeting of Shareholders for Confirmation of Intention. Even where this resolution is conducted, the Company will promptly disclose according to the applicable laws and regulations, etc. an overview of the resolution in question including the evaluation, decision, and opinions of the Company's Board of Directors regarding the need to exercise the countermeasures and other items that the Company's Board of Directors deems appropriate.

h. Time period that large-scale purchasing actions can be initiated

Large scale purchasing actions can only be initiated after the Board of Directors evaluation period has passed (in the case where a General Meeting of Shareholders for Confirmation of Intention is convened in g. above, after the resolution to exercise countermeasures is rejected at the General Meeting of Shareholders for Confirmation of Intention in question and after the conclusion of the General Meeting of Shareholders for Confirmation of Intention).

(2) Specific details of the countermeasures in the Plan

The countermeasures of the Company based on the Plan are in principle the gratis allotment of the Stock Acquisition Rights. However, where the exercise of other countermeasures recognized by laws and regulations, etc. and the Company's articles of incorporation are deemed appropriate, those other countermeasures may be used.

An outline of cases where the gratis allotment of the Stock Acquisition Rights is conducted as a countermeasure exercised based on the Plan is provided in Appendix 4 "Outline of the Gratis Allotment of Stock Acquisition Rights." Where the gratis allotment of the Stock Acquisition Rights is actually conducted, (i) the Company's Board of Directors may, according to designated procedures, establish certain exercise conditions that do not recognize the exercise of rights by the large-scale purchaser or a joint holder or other persons with a special relationship with the large-scale purchaser, or persons who are recognized by the Board of Directors to be controlled by or working jointly or in cooperation with these persons (hereinafter, "Persons with Special Circumstances"), or, (ii) where the Company acquires some of the Stock Acquisition Rights, it may establish an exercise period, exercise conditions, and acquisition conditions, etc., that consider the impact of the countermeasures on the large-scale purchasing actions, including acquisition conditions only recognizing the acquisition of the Stock Acquisition Rights by shareholders other than Persons with Special Circumstances, or, the acquisition of the Stock Acquisition Rights owned by Shareholders other than Persons with Special Circumstances with the Company's common shares as the consideration, or acquisition conditions that stipulate the acquisition with share acquisition rights with separate acquisition conditions as the consideration.

(3) Effective period, repeal and amendment of the Plan

The effective period of the Plan shall be until the conclusion of the ordinary General Meeting of Shareholders relating to the last fiscal year ending within three years after the conclusion of this General Meeting of Shareholders.

However, even prior to the completion of the effective period in question, where a resolution is passed to repeal the Plan by a meeting of the Board of Directors composed of Directors elected at the Company's General Meeting of Shareholders, the Plan will be repealed at that time.

Furthermore, within a reasonable and necessary scope based on changes in laws and regulations, etc. or changes in their interpretation or administration, or changes in the tax system or court decisions, the Company's Board of Directors may revise or change the Plan with the approval of the Independent Committee. Furthermore, where the Company's Board of Directors makes changes to the contents of the Plan that have a real impact on the Company's shareholders, they must make another proposal and receive the approval of the shareholders at General Meeting of Shareholders held close to when the changes are made.

Where the Plan is repealed or where changes are made to the contents of the Plan that will have a real impact on the Company's shareholders, the Company will promptly disclose according to laws and regulations, etc. the facts surrounding the repeal or changes and (in the case of changes) the contents of the changes, as well as other items deemed appropriate by the Company's Board of Directors.

### 3. Rationality of the Plan

The Plan is highly rational, as it satisfies the three principles established by the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" issued on May 27, 2005 by the Ministry of Economy, Trade and Industry and the Ministry of Justice (the principle of protecting and enhancing corporate value and the shareholders' common interests, the principle of prior disclosure and shareholder intentions, and the principle of ensuring necessity and suitability), and, is based on the practice and discussions on takeover defense measures including the "Takeover Defense Measures in Light of Recent Environmental Changes" published on June 30, 2008 by the Corporate Value Study Group established by METI, and "Principle 1.5 So-called Takeover Defense Measures" in the "Corporate Governance Code" introduced by the Tokyo Stock Exchange through revisions to securities listing rules and revised on June 1, 2018 and June 11, 2021.

#### (1) The principle of protecting and enhancing corporate value and the shareholders' common interests

As provided in 1. above, where large-scale purchasing actions are undertaken toward the Company's shares, the purpose of the Plan is to protect and enhance the Group's corporate value and the shareholders' common interests by having the shareholders decide whether to accept the large-scale purchasing actions in question, or, to ensure the information and time necessary for the Company's Board of Directors to make an alternate proposal and to negotiate with the large-scale purchaser on behalf of the shareholders.

#### (2) The principle of prior disclosure and shareholder intentions

By asking shareholders their opinion in the form of a proposal at this General Meeting of Shareholders on the introduction of the takeover defense measures provided by the Plan that has been resolved at a meeting of the Board of Directors, we confirm the intentions of the shareholders. Furthermore, as provided in 2. (3) above, even after the Plan has been approved at this General Meeting of Shareholders, where a resolution is passed to repeal the Plan by a meeting of the Board of Directors composed of Directors elected at the Company's General Meeting of Shareholders, the Plan will be repealed at that time. Additionally, where the large-scale purchaser complies with the procedures established by the Plan, a General Meeting of Shareholders must be convened to decide on the exercise of countermeasures. Therefore, a structure is in place to ensure that the intentions of the shareholders are sufficiently reflected in the continuation of the Plan.

#### (3) Principle of necessity and suitability

##### a. Establishment of Independent Committee, maximum respect for the recommendation thereof, and thorough information disclosure

As provided in 2. above, to avoid arbitrary decisions by the Company's Board of Directors regarding the exercise of countermeasures against the large-scale purchasing based on the Plan, and to ensure the objectivity and rationality of the decisions and responses of the Board of Directors, the Company will establish an Independent Committee composed of persons who are independent from the management team performing the business execution of the Company, such as Outside Directors of the Company, Outside Audit & Supervisory Board Members, or outside experts (corporate managers with strong track records, former government officials, attorneys, certified public accountants, academic experts, or similar persons), and when resolving to exercise or not to exercise countermeasures, the Company's Board of Directors will respect the recommendations of the Independent Committee to the fullest extent. Furthermore, the Independent Committee may receive advice from external experts (including investment banks, securities firms, financial advisers, certified public accountants, attorneys, consultants and other experts) who are independent of the Company's management team performing the business execution of the Company at the Company's expense in order to ensure that decisions of the Independent Committee are made to contribute to the securing and enhancement of the Group's corporate value or the common interests of the shareholders.

Furthermore, the Company has secured a scheme for the transparent operations of the Plan to contribute to the corporate value of the Group and the common interests of the shareholders, and discloses

information including an overview of the decisions of the Independent Committee to our shareholders and investors in accordance with laws and regulations, etc.

b. Setting rational and objective exercise criteria

As provided in 2. above, the Plan has been established so that countermeasures cannot be exercised without rational, objective exercise criteria being fulfilled, ensuring a structure that prevents the arbitrary exercise of countermeasures by the Board of Directors.

c. Differences from dead-hand-type or slow-hand-type takeover defense measures

As provided in 2. (3) above, the Plan can be repealed at any time through a resolution by the Board of Directors composed of Directors elected at the Company's General Meeting of Shareholders. Therefore, the Plan does not represent dead-hand-type takeover defense measures (takeover defense measures that cannot be overcome even if the majority of the members of the Board of Directors are replaced).

Furthermore, as the Company does not use a staggered board system, the Plan also does not represent slow-hand-type takeover defense measures (takeover defense measures that do not allow the members of the Board of Directors to be replaced at once, requiring time to prevent the exercise of countermeasures).

4. Impact on shareholders and investors

(1) Impact on shareholders and investors at the time of the introduction of the takeover defense measures in the Plan

The Stock Acquisition Rights will not be issued at the time of the introduction of the takeover defense measures in the Plan. Therefore, the introduction of the takeover defense measures in the Plan will not have a direct, concrete impact on the legal rights or the economic interests associated with the Company's shares owned by the shareholders.

Furthermore, as provided in 2. (1) above, the Company's response policy to the large-scale purchasing actions differs depending on whether the large-scale purchaser complies with the Plan, and we therefore ask that our shareholders and investors closely follow the actions of large-scale purchasers

(2) Impact on shareholders and investors at the time of the gratis allocation of the Stock Acquisition Rights

When the Company's Board of Directors decides to exercise countermeasures and to implement a gratis allotment of the Stock Acquisition Rights, for every shareholder listed in the Company's shareholder registry on a specific date separately established by the Company's Board of Directors (hereinafter, "the Allocation Date"), the Company will implement a gratis allotment of the Stock Acquisition Rights at a ratio of up to one Stock Acquisition Rights per share owned by each shareholder. Based on this scheme, even when the gratis allotment of Stock Acquisition Rights is implemented, although the value of each of the Company's shares owned by the shareholders will be diluted, the value of their total holdings of the Company's shares will not be diluted. Therefore, we do not envision any direct, concrete impact on the legal rights or economic interests associated with the Company's shares owned by the shareholders.

However, as a result of the exercise of countermeasures, there may be cases where there is some impact on the legal rights or economic interests of Persons with Special Circumstances.

Furthermore, in the event that a resolution is passed approving the gratis allotment of the Stock Acquisition Rights, and a subsequent decision is made to cancel the exercise of countermeasures, there may be some fluctuation in the stock price of the Company's shares. For example, after the shareholders to receive the gratis allotment of Stock Acquisition Rights have been confirmed, and the Company cancels the exercise of countermeasures, resulting in no gratis allotment of the Stock Acquisition Rights and no new shares being exchanged, because there is no dilution in the economic value of each of the Company's shares owned by the shareholders, we must be aware of the possibility that shareholders and investors who bought and sold based on the assumption of a dilution of the economic value of each of the Company's shares may suffer losses from the fluctuation in the stock price.

Furthermore, where discriminatory conditions are placed on the exercise or acquisition of the Stock Acquisition Rights, at the time of the exercise or acquisition in question, we envision an impact on the legal rights and economic interests of Persons with Special Circumstances. However, even in this case, we do not envision a direct, concrete impact on the legal rights or economic interests of shareholders owning the Company's shares other than Persons with Special Circumstances.

(3) Procedures of the shareholders for the Gratis Allotment of the Stock Acquisition Rights

Because the shareholders listed on the final shareholder registry on the date of the allocation of the Stock Acquisition Rights naturally become persons with stock acquisition rights on the effective date of the gratis allotment of the Stock Acquisition Rights, no application procedures are required.

Furthermore, where acquisition conditions are attached to the Stock Acquisition Rights for which the gratis allocation is implemented and the Company acquires the Stock Acquisition Rights, the shareholders will receive the Company's shares as consideration for the Company's acquisition of the Stock Acquisition Rights without paying in funds equivalent to the exercise price of the stock acquisition rights. However, regarding Persons with Special Circumstances, in addition to the Stock Acquisition Rights that they own not being eligible for acquisition, the Stock Acquisition Rights owned by the persons with Special Circumstances can be acquired with the consideration of separate stock acquisition rights with certain exercise conditions or acquisition conditions attached in the same number as the Stock Acquisition Rights being acquired. In addition to the above, in terms of the allocation method, the exercise method, the acquisition method by the Company, and the delivery method for shares, etc., following the resolution by the Company's Board of Directors regarding the gratis allotment of the Stock Acquisition Rights, the Company will conduct disclosure and notification regarding the details of the procedures in a timely and appropriate fashion based on the applicable laws and regulations, etc.

- (Note 1) Refers to "Share Certificates, etc." in Article 27-23 (1) of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise specified.
- (Note 2) Refers to "Ownership Ratio of Share Certificates, etc." in Article 27-23 (4) of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise specified, and in calculating the ownership ratio of shares, etc. in question, (a) "Specially Related Parties" as defined in Article 27-2 (7) of the same Act, (b) investment banks, securities companies, or other financial institutions that have concluded a financial advisory agreement with the designated shareholders in question, as well as tender offer agents and lead underwriting securities companies (hereinafter, "Contracted Financial Institutions, etc."), as well as attorneys, certified public accountants, or other advisors, as well as (c) persons receiving the transfer of the Company's shares through on-market negotiated transactions or through on-market off-hours transactions on the Tokyo Stock Exchange (ToSTNeT-1) from persons corresponding to (a) or (b) above are seen as joint holders together with the designated shareholders in question in the Plan (refers to the "joint holders" defined in Article 27-23 (5) in the Financial Instruments and Exchange Act, and includes persons recognized by the Company's Board of Directors who are considered joint holders based on Article 27-23 (6) of the same Act. The same shall apply hereinafter.) Furthermore, in calculating the ownership ratio of shares, etc., the most recent information disclosed by the Company may be referenced for total number of issued shares of the Company.
- (Note 3) Includes the ownership of rights to request delivery for shares, etc. based on a purchasing agreement or other agreement and transactions stipulated in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act.
- (Note 4) Refers to "Share Certificates, etc." stipulated in Article 27-2 (1) of the Financial Instruments and Exchange Act. The same in (ii) hereinafter.
- (Note 5) Refers to the "Ownership Ratio of Share Certificates" stipulated in Article 27-2-8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise specified. Furthermore, in calculating the ownership ratio of shares, etc., the most recent information disclosed by the Company may be referenced for total number of issued shares of the Company.
- (Note 6) Refers to "Specially Related Parties" as defined in Article 27-2 (7) of the Financial Instruments and Exchange Act. However, with respect to the persons set forth in item 1 of the same paragraph, those set forth in Article 3, paragraph (2) of the Cabinet Office Ordinance on Disclosure of Tender Offers for Share Certificates, etc., by Persons Other Than Issuers are excluded. Furthermore, (i) Joint Holders and (ii) Contracted Financial Institutions, etc. are seen as Specially Related Parties to the designated shareholders in question. The same shall apply hereinafter unless otherwise specified.
- (Note 7) Includes purchases and other acquisitions for value and transactions similar to acquisitions for

value defined in Order for Enforcement of the Financial Instruments and Exchange Act Article 6-3.

- (Note 8) In deciding whether “a relationship in which one party exercises de-facto control between a designated shareholder in question and another shareholder in question, or a relationship in which the parties are working jointly or in cooperation with each other” has been established will be based the formation of an investment relationship, a business partnership relationship, a transactional or contractual relationship, a relationship of concurrent positions by officers, a fund provision relationship, a credit provision relationship, the state of purchasing of the Company’s shares, the state of exercise of voting rights associated with the Company’s shares, the formation of a de-facto vested interest related to the Company’s shares through derivatives or stock lending, etc. as well as the direct or indirect impact of the designated shareholder in question and another shareholder on the Company.
- (Note 9) In deciding whether the actions provided in (iii) of this document have been undertaken, the Company’s Board of Directors will make a rational decision based on the recommendation of the Independent Committee. Furthermore, within the scope necessary to make the decision on whether the actions correspond to the conditions in (iii), the Company’s Board of Directors may request that the shareholders provide any necessary information.
- (Note 10) Refers to “conducting an act of making an important suggestion” stipulated in Article 27-26 (1) of the Financial Instruments and Exchange Act, Article 14-8-2 (1) of Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates. The same shall apply hereinafter.
- (Note 11) “Business days” refer to days other than the days stipulated in each item of Article 1-1 of the Act on Holidays of Administrative Organs. The same shall apply hereinafter.

## Status of shareholding by the Company's major shareholders

(As of April 30, 2023)

| Shareholder name                                     | Status of investment in the Company     |                         |
|--|---|-------------------------|
|  | Shares held<br>(thousands of<br>shares) | Investment ratio<br>(%) |
| Atsuki Ishida  | 3,517                                   | 17.62                   |
| ALPS ALPINE CO., LTD.                                | 3,510                                   | 17.59                   |
| UH Partners 2, Inc.                                  | 1,893                                   | 9.48                    |
| HIKARI TSUSHIN, INC.                                 | 1,441                                   | 7.22                    |
| UH Partners 3, Inc.                                  | 1,412                                   | 7.08                    |
| The Master Trust Bank of Japan, Ltd. (trust account) | 970                                     | 4.86                    |
| System Integrating Laboratory Co.,Ltd.               | 879                                     | 4.41                    |
| OBIC BUSINESS CONSULTANTS CO., LTD.                  | 450                                     | 2.25                    |
| SMBC Nikko Securities Inc.                           | 331                                     | 1.66                    |
| Jun Murai  | 288                                     | 1.44                    |

- Notes: 1. The ratio of shares held is provided based on the total number of issued shares of the Company based on the shareholder registry on April 30, 2023 (excludes the 3,453,741 treasury shares held as of April 30, 2023).
2. The number of shares held is rounded off to the nearest thousand, and the investment ratio is rounded off to the third decimal place.

## Overview of the rules of the Independent Committee

1. The Independent Committee has been established to avoid arbitrary decisions by the Company's Board of Directors regarding the exercise of countermeasures against large-scale purchasing and to ensure the objectivity and rationality of the decisions and responses of the Board of Directors.
2. The members of the Independent Committee shall be three or more, and shall be elected based on a resolution by the Company's Board of Directors from persons who are independent from the management team performing the business execution of the Company, including (1) Outside Directors or Outside Audit & Supervisory Board Members of the Company, or (2) external experts (experienced corporate managers, former employees of government agencies, attorneys-at-law or academic experts, or any equivalent persons).
3. The term of office of the members of the Independent Committee shall be until the day of the conclusion of the ordinary General Meeting of Shareholders relating to the last fiscal year ending within three years after the conclusion of their election, or a separate day agreed on by the member of the Independent Committee in question and the Company. However, this shall not apply if otherwise determined by a resolution of the Board of Directors of the Company.
4. The Independent Committee shall be convened by the Directors or by the Independent Committee members.
5. The Chairperson of the Independent Committee shall be selected through a mutual election by the Independent Committee members.
6. Resolutions by the Independent Committee shall be conducted in principle based on a majority of votes when all Independent Committee members are in attendance. However, in the event that an Independent Committee member is involved in an accident or other special circumstances, resolutions may be conducted through a majority of all the Independent Committee members in attendance excluding the Independent Committee member in question.
7. The Independent Committee will hold resolutions on the items provided in each section below following deliberation and make recommendations to the Company's Board of Directors on the contents of the resolutions with the reasons included.
  - (1) The pros and cons of exercising countermeasures based on the Plan
  - (2) The cancellation of the exercise of countermeasures based on the Plan
  - (3) Repeal and amendment of the Plan
  - (4) Other items related to the Plan for which the Company's Board of Directors voluntarily consults with the Independent Committee

In the deliberations and voting at the Independent Committee, each Independent Committee member is required to act entirely from the perspective of whether the action contributes to the Group's corporate value and the common interests of shareholders, and may not work for the individual interest of themselves or the Company's management team.

8. As necessary, the Independent Committee may request that the Company's Directors or employees or other persons deemed necessary attend the meetings of the Independent Committee and provide their opinions or briefings on items requested by the Independent Committee.
9. In its execution of business, the Independent Committee may receive the advice of external experts (including investment banks, securities firms, financial advisers, certified public accountants, attorneys, consultants and other experts) who are independent of the Company's management team performing the business execution of the Company at the Company's expense.



## Independent Committee Member Biography

The members of the Independent Committee at the time of the introduction of the Plan are Akihiro Matsuoka, Hiroaki Yatabori, and Kazumasa Yoshida, i.e., three members. Mr. Kazumasa Yoshida's term of office as Director of the Company ends at the conclusion of this General Meeting of Shareholders. Because he plans to retire as Directors at the end of his term, in the event that this proposal and Proposal No. 1 "Election of Seven Directors" are approved and adopted as originally proposed, at the first meeting of the Company's Board of Directors held after this General Meeting of Shareholders, the Company plans to newly elect Mr. Seiji Takeda and Mr. Hideaki Doki as Independent Committee members to succeed Mr. Kazumasa Yoshida and Mr. Hiroaki Yatabori.

## When the Plan is first introduced

Name (Date of birth) Akihiro Matsuoka (October 7, 1959)

## Biography

|      |      |  |
|------|------|--|
| Apr. | 1984 | Joined KOKUSAI Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) |
| Apr. | 2001 | General Manager of Underwriting Public Offering Department   |
| May  | 2009 | Head of Conflict of Interest Office, Compliance Management Department                              |
| Feb. | 2012 | Joined OOTOYA Holdings Co., Ltd.<br>Deputy General Manager of Corporate Planning Dept.             |
| Apr. | 2014 | General Manager of Corporate Planning Dept.  |
| June | 2015 | Executive Officer, General Manager of Corporate Planning Dept.                                     |
| June | 2016 | Director, General Manager of Corporate Planning Dept.  |
| July | 2021 | Outside Audit & Supervisory Board Member of the Company (current position)                         |

Name (Date of birth) Hiroaki Yatabori (July 13, 1960)

## Biography

|      |      |   |
|------|------|---|
| Oct. | 1987 | Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)              |
| Aug. | 1991 | Registered as a certified public accountant                                 |
| July | 1996 | Audit Department, Showa Ota & Co.   |
| May  | 2002 | Partner of Ernst & Young ShinNihon LLC                                      |
| July | 2009 | Senior Partner  |
| July | 2018 | Chairman of the CPA Yatabori General Accounting Office (current position)   |
| July | 2018 | Outside Audit & Supervisory Board Member of the Company (current position)  |
| Mar. | 2019 | Senior partner, Aiko audit Co. (current position)                           |
| Feb. | 2023 | Director of the Institute of Corporate Governance, Japan (current position) |

Name (Date of birth) Kazumasa Yoshida (August 20, 1958)

Biography

|      |      |   |
|------|------|---|
| Oct. | 1984 | Joined Intel Corporation  |
| June | 2003 | Representative Director and President of Intel K.K.   |
| Dec. | 2004 | Vice President of Sales and Marketing Group of Intel Corporation  |
| Apr. | 2012 | Director of Gibson Guitar Corp. (currently Gibson Brands, Inc.)   |
| June | 2012 | Outside Director of Onkyo Corporation (currently Onkyo Home Entertainment Corporation) (current position) |
| Feb. | 2013 | Director of Gibson Guitar Corporation Japan   |
| June | 2013 | Outside Director of CYBERDYNE Inc.  |
| June | 2014 | Outside Director of TDK Corporation   |
| June | 2015 | Outside Director of Mamezou Holdings Co., Ltd. (currently Mamezou K2TOP Holdings Corporation)             |
| July | 2016 | Outside Director of the Company (current position)  |
| Dec. | 2017 | Outside Director of Mynavi Corporation  |
| June | 2021 | Director of OPENSTREAM HOLDINGS CO., LTD. (current position)  |
| Jan. | 2022 | Director and Managing Executive Officer of Mynavi Corporation (current position)                          |

Planned to be elected after the conclusion of this General Meeting of Shareholders

Name (Date of birth) Seiji Takeda (April 16, 1960)

Biography

|      |      |  |
|------|------|--|
| Apr. | 1984 | Joined MAINICHI BROADCASTING SYSTEM, INC., News Department   |
| June | 1991 | TV Sales Division  |
| Apr. | 1999 | TV Programming Department of Tokyo Branch                    |
| Apr. | 2010 | TV Production Department of Tokyo Branch                     |
| June | 2015 | General Manager of Programming Division of Osaka Head Office |
| June | 2017 | General Manager of Content Business Division                 |
| June | 2019 | Managing Director of GAORA Inc.                              |
| June | 2021 | Representative Director and President                        |

Name (Date of birth) Hideaki Doki (December 30, 1962)

Biography

|      |      |   |
|------|------|---|
| Apr. | 1984 | Joined Intel K.K.   |
| Apr. | 2006 | Supervising General Manager of Engineering Department of Technology Division                                    |
| June | 2010 | Deputy General Manager of Technology Division   |
| June | 2011 | General Manager of Technology Division  |
| June | 2012 | Executive Officer   |
| Oct. | 2016 | Asia Pacific Regional Management, Technology Promotion Division/Technology Division<br>Director/General Manager |
| Nov. | 2017 | Managing Executive Officer in charge of Technology Division   |
| Apr. | 2021 | Managing Executive Officer in charge of Technology Division 2   |

(Note) Relationship with the Company

- The Company has registered Akihiro Matsuoka, Hiroaki Yatabori, and Kazumasa Yoshida as Independent Officers with the Tokyo Stock Exchange.
- In the event that the proposal for their election is approved and adopted at this General Meeting of Shareholders, the Company plans to appoint Mr. Seiji Takeda and Mr. Hideaki Doki as Outside Directors of the Company in accordance with Article 2-15 of the Companies Act. Furthermore, the Company plans to register both Mr. Seiji Takeda and Mr. Hideaki Doki as Independent Officers with the Tokyo Stock Exchange.
- There are no special interests between the committee members and the Company.

## Outline of the Gratis Allotment of Stock Acquisition Rights

## 1. Total number of Stock Acquisition Rights being allotted

The total number of Stock Acquisition Rights is limited to the same number as the final number of total issued shares of the Company on a set date separately established by the Company's Board of Directors (hereinafter, the "Allotment Date") (however, excluding the Company's shares owned by the Company at the same point) in the resolution by the Company's Board of Directors related to the gratis allotment of the Stock Acquisition Rights (hereinafter, the "Resolution on the Gratis Allotment of the Stock Acquisition Rights") and shall be the number separately established by the Company's Board of Directors in the Resolution on the Gratis Allotment of the Stock Acquisition Rights.

## 2. Shareholder subject to allotment

The gratis allotment of the Stock Acquisition Rights will be made to each shareholder in the final shareholder registry on the Allotment Date at a ratio separately established by the Company's Board of Directors in the Resolution on the Gratis Allotment of the Stock Acquisition Rights up to one (1) unit per common share of the Company held by such shareholders (however, excluding the Company's shares owned by the Company at the same point).

## 3. Effective date of the Gratis Allotment of Stock Acquisition Rights

The date will be separately determined by the Board of Directors of the Company in Resolution for Gratis Allotment of Stock Acquisition Rights.

## 4. Class and number of shares to be issued upon exercise of the Stock Acquisition Rights

The type of shares covered by the Stock Acquisition Rights shall be the common shares of the Company, and the number of shares covered by each Stock Acquisition Right shall be limited to one share and separately established by the Company's Board of Directors in the Resolution on the Gratis Allotment of the Stock Acquisition Rights. However, where the Company splits or merges its stock, the necessary adjustments will be made.

## 5. The contents and prices of the financial assets invested when the Stock Acquisition Rights are exercised

Cash will be used for the purpose of investment when the Stock Acquisition Rights are exercised, and the amount of property per share of common share of the Company to be contributed upon exercise of the Stock Acquisition Rights shall be one (1) yen or more, which shall be separately established by the Company's Board of Directors in the Resolution on the Gratis Allotment of the Stock Acquisition Rights.

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

Any transfer of the Stock Acquisition Rights shall require the approval of the Board of Directors of the Company.

## 7. Exercise conditions of the Stock Acquisition Rights

The exercise conditions of the Stock Acquisition Rights shall be separately established by the Company's Board of Directors (the Company's Board of Directors may attach exercise conditions in consideration of the effect of countermeasures against large-scale purchasing, such as, according to designated procedures, establish certain exercise conditions that do not recognize the exercise of rights by the large-scale purchaser or a joint holder or other persons with a special relationship with the large-scale purchaser, or persons who are recognized by the Board of Directors to be controlled by or working jointly or in cooperation with these persons (hereinafter, "Persons with Special Circumstances")).

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

On the condition of certain circumstances arising or a date separately established by the Company's Board of Directors arriving, following a resolution by the Board of Directors, the Company's Board of Directors may attach acquisition conditions in consideration of the effect of countermeasures against large-scale purchasing, such as, acquisition conditions that stipulate that either all the Stock Acquisition Rights or only the Stock Acquisition Rights owned by shareholders other than Persons with Special Circumstances may be acquired, or that, while the Stock Acquisition Rights owned by shareholders other than Persons with Special Circumstance

may be acquired with the Company's common shares as the consideration, the Stock Acquisition Rights owned by Persons with Special Circumstances may be acquired with separate stock acquisition rights with certain exercise conditions or acquisition conditions as the consideration.

9. Gratis acquisition when the exercise of countermeasures is cancelled

Where the Company's Board of Directors cancels the exercise of countermeasures or in other cases separately stipulated by the Company's Board of Directors in the Resolution on the Gratis Allotment of the Stock Acquisition Rights, the Company may acquire all of the Stock Acquisition Rights at no cost.

10. Exercise Period, etc. of the Stock Acquisition Rights

The Company's Board of Directors shall separately establish the exercise period and other necessary items regarding the Stock Acquisition Rights in the Resolution on the Gratis Allotment of the Stock Acquisition Rights.