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For Immediate Release

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### **Continuation of Measures to Prevent the Large-scale Purchase of Shares of Okabe (Response to TOB)**

Okabe Co., Ltd. (the “Company”) announces that at its meeting held today, its Board of Directors passed a resolution to submit a proposal for the continuation of the measures to prevent the large-scale purchase of shares of Okabe (the “Plan”) approved by shareholders at the Ordinary General Meeting of Shareholders on March 26, 2021 to the Ordinary General Meeting of Shareholders to be held on March 28, 2024, (the “Ordinary General Meeting of Shareholders”) to ask the shareholders to approve the continuation of the Plan. Details are as follows.

Because the term of the Plan ends at the conclusion of the Ordinary General Meeting of Shareholders, the Company has been discussing how it should operate, including whether to continue the Plan, from the perspective of increasing the Company’s corporate value and protecting the common interests of shareholders. As a result, in light of the changes in business conditions, trends affecting institutional investors and other factors, the Company has decided to continue to implement the Plan, if approved by its shareholders. If the Plan is approved by the shareholders at the Ordinary General Meeting of Shareholders, the term of the Plan will end at the conclusion of the Ordinary General Meeting of Shareholders scheduled to be held in 2027.

Major changes made to the Plan from the current plan are as follows:

1. The Plan’s definition of large-scale purchase, etc. has been revised.
2. The wording of other parts has been modified.

## **Measures to Prevent Large-scale Purchases of Shares of Okabe (Response to TOB)**

### **I. Basic policy regarding the behavior of the people who control decisions regarding the Company's financial and business policies**

As a company whose shares are listed on a financial instrument exchange, the Company respects the free trading of its shares on the market and does not indiscriminately disapprove even of a purchase of a large number of its shares by a specific party as long as it contributes to ensuring and increasing the corporate value of the Group and the common interests of shareholders. The Company also thinks that decisions regarding the acceptance of proposals involving large-scale stock purchases should ultimately be decided by shareholders.

However, proposals regarding large-scale stock purchases include cases where the good relationships with stakeholders may not be maintained, possibly resulting the reduction of the Group's corporate value and even harming the common interests of shareholders, cases that fail to adequately reflect the Group's value, and cases that fail to provide information that is sufficient and necessary for shareholders to make the ultimate decision regarding the matter.

To respond to proposals such as these, the Company believes that, as part of responsibilities of Board of Directors as a body that is mandated by shareholders, Board of Directors must secure the necessary time and information, negotiate with the parties that propose the purchase of a large number of shares, and carry out other activities for the benefit of shareholders.

### **II. Activities to contribute to the implementation of the basic policy**

#### **1. Activities to increase corporate value and protect the common interests of shareholders**

##### **(1) Sources of corporate value and the common interests of shareholders**

The Company has 107 years of history since its foundation in 1917. When it was founded, the Company manufactured simple architectural parts such as clamps. Since it successfully developed the revolutionary form tying method for concrete formwork in 1951, it has always operated its businesses to meet demand and earn the trust of customers while expanding its operations from the construction business, including structural and civil engineering, into related fields with a focus on metal processing.

The sources of the Company's corporate value that support this business development have been built upon the corporate philosophy developed over the 107 years of the Company's history since its foundation in 1917, the technologies accumulated through the management of its business based this philosophy, and strong trust-based relationships with all of its business partners from the suppliers of raw materials to the customers that are the buyers of its products. The Company believes the Okabe brand is the fruit born from these sources of its corporate value.

More specifically, the corporate philosophy consists of four policies; 1. Employees at all workplaces preserve the Company's pioneering spirit and strive to develop originality, be ingenuous, and innovate, 2. Employees maintain a mindset of service, serve society, and strive to enable the Company to develop in the future, 3. The Company will endeavor to cultivate human resources for sustainable development, and 4. The Company will be a workplace that employees will not regret devoting their lives to. This is based on the idea that by providing its executives, employees and all of its stakeholders with satisfaction, a company enables its own existence.

In the management of its business backed by this corporate philosophy, the Company strives to maintain and improve manufacturer's foundations, namely, its product development technology, quality control technology and technology for information gathering in terms of its quality and quantity and the analysis. The Company recognizes that its mission is to provide society with products that embody these technologies. In its management

philosophy expressing this recognition, the Company has established the goal of contributing to society by providing security and safety. In addition to the contribution to safety and energy-saving for construction works, product development guaranteed by technology that contributes to society is extremely important, including the supply of materials for earthquake-resistant building foundations using aseismic and base-isolating construction methods and playing a part in environmental preservation through various reinforcement and greening construction methods. The Company thinks that company-wide efforts to improve its technology to a cutting-edge level are essential.

In addition, the Company has sincerely and faithfully managed its corporation over its 107-year history and built strong trust-based relationships with all of its partners, including material manufacturers that supply raw materials, parts manufacturers, distributors and the end users of the Company's products.

Therefore, the corporate philosophy with its wide-ranging social perspective, the supply of products based on high-level technical capabilities and the trust-based relationships built with all of its business partners are the sources of the Company's corporate value, and it thinks that continuously enhancing these factors will increase its brand strength and corporate value. The Company recognizes that increasing in its corporate value is in the common interest of its shareholders.

## (2) Establishment of Okabe Corporate Vision 2040

Based on its management philosophy of contributing to society by providing safety and security, the Group has established Okabe Corporate Vision 2040 as its future image for 2040 and its ideal image of itself. The Company is confident that the collective efforts of every member of the Group in the operation of its business to achieve this vision will assure its corporate value increases and protect the common interests of shareholders.

### i. "Okabe Corporate Vision 2040"

Up to now, and into the future, we are striving to be a global solutions provider that provides safety and security in the lives of people around the world by cultivating Creativity × Connectivity × People Power as a manufacturer of earthquake-resistant construction materials that support construction.

### ii. Principles behind "Okabe Corporate Vision 2040"

#### (i) Creativity

We will strive to be a company that supports the safety and security of buildings and people through our creative technological capabilities, and will continue to utilize new technologies to create solutions for automation of construction work, zero emissions, and more.

#### (ii) Connectivity

This represents the power to connect with people, which is created through communication with customers, shareholders/investors, subcontractors/suppliers, employees, and local communities, and the power to connect critical components and materials used in construction sites to enhance safety.

#### (iii) People Power

As stated in our corporate creed, "We will endeavor to cultivate human resources for sustainable development," and "The Group will be a workplace that employees will not regret devoting their lives to," we believe that the foundation of everything we do lies in "People Power," and this will remain unchanging even in 2040.

Underlying these three strengths is our desire to "contribute to society by providing safety and security." While we envision various changes in our external environment, we are committed to being a company that can contribute to a sustainable society as a member of the global community so that the global environment and humankind can change for the better.

(3) Establishment of the new Okabe Transformation 2026 (OX-2026) medium-term management plan

Moving toward the achievement of Okabe Corporate Vision 2040, the Group has established Okabe Transformation 2026 (OX-2026) which has FY2024 as its initial year. The Group views the changes in the business environment and risks as opportunities. Based on this perspective, the Group will provide solutions to address material issues in Japan and overseas, review its business portfolio, focus management resources for sustainable growth, and promote sustainability management practices.

The following are the three elements of and key measures in the new Okabe Transformation 2026 (OX-2026) medium-term management plan.

- i. Customer-centric initiatives (prioritizing the development of a system to solve customers' problems and the implementation of initiatives to solve them)
  - Developing products that solve issues faced by customers and society
  - Developing new products and creating new businesses to meet emerging needs
  - Establishing a product & solution planning department that specializes in construction in Japan
  - Offering solutions suitable for the North American and ASEAN markets to accelerate the global expansion of the construction business
  - Launching a business focused on blue carbon in the marine business
- ii. Implementing human capital management and strengthening the foundation of management
  - Setting challenging non-financial key performance indicator (KPI) targets, especially for KPIs related to human capital, and working to achieve them
  - Improving the governance of overseas subsidiaries
- iii. Promoting digital transformation
  - Upgrading core systems and transforming business processes
  - Promoting digital transformation to differentiate the Group from its competitors, creating new business opportunities and considering and implementing initiatives that will increase sales
  - Establishment of IT Strategy Department

## 2. Initiatives for enhancing corporate governance

The Company recognizes that establishing a corporate governance system is important for it to increase its corporate value and fulfill its social responsibilities in the future. It is working to establish a corporate governance system based on company-wide training reinforcing the importance of the management philosophy, company creed, compliance with laws, etc. and the improvement of discipline in its business activities.

The Company's corporate governance system includes a Board of Directors consisting of 12 Directors (of which five are Outside Directors) which meets at least once a month and makes important decisions, and the Directors supervise each other's performance of their duties. To strengthen the Directors' ability to fulfill their decision-making duties, the Representative Director, President and Chief Executive Officer and the Directors in charge of each department hold management meetings to adequately examine important management issues prior to the Board meetings. As a system for operating the business, the Representative Director, President and Chief Executive Officer and people with particularly important responsibilities are appointed to be Operating Officers to define the responsibilities of their jobs. The Company annually verifies the status of the ability of the Board of Directors to effectively fulfill its roles and responsibilities. The Company goes through a continuous process (evaluating the effectiveness of the Board of Directors), taking measures to solve problems in light of the analysis of the results.

Furthermore, a department managers' meeting attended by the Representative Director, President and Chief Executive Officer and people responsible for each department is held, in principle, once a week to make decisions on matters entrusted to Directors that are within the scope of the duties of the Board of Directors. The Company promotes the streamlining of operations across multiple departments and additional necessary examination at all times in view of compatibility with social norms.

The Company takes the form of a company with an Audit & Supervisory Committee, which endeavors to achieve highly transparent management and build a system that is capable of accurately meeting the expectations of stakeholders in Japan and abroad by taking charge of auditing and supervising the legitimacy and appropriateness of business operations. Appropriately supervised by the Board of Directors, the Company promotes the continued acceleration of management decision making and operations through a system capable of delegating the authority of the Board of Directors to determine business operations to Directors.

The Company has established a Nomination and Compensation Committee chaired by an Outside Director and a majority of its members are Outside Directors, to ensure the transparency and objectivity of the procedures for nominating Directors and determining their remuneration and to strengthen the independence of the Board of Directors and their objectivity and accountability. The Nomination and Compensation Committee deliberates and expresses its opinions on the following matters in response to inquiries from the Board of Directors.

- Matters concerning the selection of candidate Directors and the appointment and dismissal of Directors (including Directors serving as Audit & Supervisory Committee members)
- Level and composition of remuneration, method of calculating the incentive system, structure of the evaluation system, amounts to be paid to each individual Director (excluding Directors serving as Audit & Supervisory Committee members)

The Company has established a Risk Management Committee composed of the Representative Director, President and Chief Executive Officer (Representative Director, Chairman and Executive Officer), the Directors in charge of each department, and the Chairperson of the Audit & Supervisory Committee to establish overall policies and plans for managing the risks faced by the Group.

In addition, the Company has established a Sustainability Committee that is chaired by an Outside Director and is composed of the Representative Director, President and Chief Executive Officer and people responsible for each department to implement the sustainable management that is the basis of the Group's medium- to long-term management strategies.

The Company has established an internal control section under the direct control of the Representative Director, President and Chief Executive Officer to assess the effectiveness of the development and operation of internal control as part of its efforts to improve the auditing functions of the Company. Furthermore, the Company has established a Compliance Committee chaired by a Director and Operating Officer as a permanent organization promoting all employees' compliance with laws.

### **III. Activities to prevent decisions regarding the Company's financial affairs and business policies from being controlled by an inappropriate party in light of the basic policy for corporate control.**

#### **1. Purpose of continuing with the Plan**

The Board of Directors of the Company has decided to continue with the Plan to increase the corporate value of the Company and protect the common interests of shareholders by allowing shareholders to decide whether to approve purchases of a large number of shares the Company's stock when such an offer is presented or allowing the Board of Directors to secure the information and time necessary to propose an alternative plan and negotiate with the party requesting such a purchase in lieu of the shareholders.

The status of the large shareholders of the Company as of December 31, 2023 is presented in Appendix 3, Status of Large Shareholders of Okabe Co., Ltd. As of now, the Company has not received any proposals regarding the large-scale purchase of its stock.

## 2. Contents of the Plan

As described below, the intent of the Plan is to establish rules that any party planning to purchase a large number of shares of the Company's stock must comply with, and to warn the party attempting to implement such a purchase which do not contribute to the corporate value of the Company and are not aligned with the common interests of the shareholders, through implement, in certain cases, countermeasures by making it clear that the purchase may damage the Company and by appropriately disclosing such information.

To avoid arbitrary decision making by the Board of Directors of the Company regarding the implementation of countermeasures, a committee independent of the management engaged in the Company's business operations ("Independent Committee") will be established following the Regulations for Independent Committees (see Appendix 1 for an overview) and composed of the Company's Outside Directors or of experts outside the Company (experienced corporate managers, former government employees, lawyers, CPAs, academic experts and people of equivalent ability), and the opinions of the Independent Committee will be maximally respected in the implementation of the Plan. Transparency will be ensured by disclosing information to the Company's shareholders and investors in a timely manner. When the Plan continued, the Independent Committee will consist of four individuals as detailed in Appendix 2 (the "Committee Members").

### (1) Procedures for the Plan

#### i. Large-scale purchases as defined by the Plan

The Plan details measures for purchases of shares of the Company's stock that fulfill one of the following (i), (ii) or (iii) or similar actions ("Large-scale Purchase," excluding purchases approved by the Board of Directors of the Company). Any party implementing or planning a Large-scale Purchase (a "Purchaser") must follow the specified procedures in advance in the Plan.

- (i) A purchase in which the purchasing shareholder<sup>1</sup> will hold 20% or more of the shares<sup>2</sup> issued by the Company.<sup>3</sup>
- (ii) A takeover bid in which, the total of ownership ratio<sup>4</sup> of shares issued by the Company<sup>5</sup> involved in the takeover bid<sup>6</sup> and the ownership ratio of shares of specially related parties<sup>7</sup> is 20% or higher
- (iii) A specific shareholder of the Company and other shareholder(s) have consented to or engaged in any other act which makes these other shareholder(s) (including cases involving multiple shareholders, the same applies in this paragraph (iii)) joint holder(s) of the shares of the Company held by the specific shareholder, or any act<sup>8</sup> which establishes a relationship between the specific shareholder and the other shareholder(s),

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<sup>1</sup> The "share certificates, etc." specified in paragraph (1), Article 27-23 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply, unless otherwise prescribed. If a law or regulation cited in the Plan has been revised (including the renaming of laws or regulations and the establishment of new laws or regulations succeeding previous laws or regulations), each provision of the revised law or regulation effectively succeeding the provisions in the Plan will apply mutatis mutandis unless otherwise specified by the Board of Directors of the Company.

<sup>2</sup> The "holder" specified in paragraph (1), Article 27-23 of the Financial Instruments and Exchange Act, including those included in holders based on paragraph (3) of said Article.

<sup>3</sup> The "ownership ratio of share certificates, etc." specified in paragraph (4), Article 27-23 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply.

<sup>4</sup> The "share certificates, etc." specified in paragraph (1), Article 27-2 of the Financial Instruments and Exchange Act. The same applies to (ii) in the following.

<sup>5</sup> This is defined in paragraph (6), Article 27-2 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply.

<sup>6</sup> The "ownership ratio of share certificates, etc." specified in paragraph (8), Article 27-2 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply.

<sup>7</sup> Refers to persons in a special relationship as defined in paragraph (7), Article 27-2, of the Financial Instruments and Exchange Act. Parties in item (i) of the same paragraph exclude those specified in paragraph (2). Article 3 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer. Hereinafter, the same shall apply.

<sup>8</sup> Criteria to determine whether or not "a relationship between the specific shareholder and the other shareholder(s), in which either party effectively controls the other, or all parties act jointly or cooperatively" has been established is based on the creation of any relationship in terms of new investment, business partnership, transaction or contractual agreement, concurrent positions served by Officers, funding, credit granting, substantive stake with regard to Company's share certificates, etc., through derivatives and lending shares and others, as well as direct or indirect impacts on Company caused by the said specific shareholder and the said other

in which either party effectively controls the other, or all parties act jointly or cooperatively,<sup>9</sup> irrespective of whether an act specified in (i) or (ii) above has been conducted (limited to cases in which the total ownership ratio of shares, etc. issued by the Company held by the specific shareholder and the other shareholder(s) or the total ownership of shares is 20% or greater)

ii. Advance submission of a letter of intent to the Company

A Purchaser will submit a document containing a pledge to comply with the procedures for a Large-scale Purchase specified in the Plan (a “Letter of Intent”), which is written in Japanese in a format specified by the Company, to the Board of Directors in advance of the Large-scale Purchase.

More specifically, the Letter of Intent will include the following information.

- (i) Profile of the Purchaser
  - (A) Name and address or location
  - (B) Name and position of the representative
  - (C) Purpose of the company or organization and description of its business
  - (D) Overview of large shareholders or large investors (shares held or ownership interest of the top 10 contributors)
  - (E) Contact information in Japan
  - (F) Governing law for establishment
- (ii) The number of shares of the Company actually held by the Purchaser and the status of the trading of the Company’s shares by the Purchaser in the 60 days before the Letter of Intent is submitted
- (iii) Overview of the Large-scale Purchase proposed by the Purchaser (including the type and number of the Company’s shares planned to be purchased by the Purchaser in the Large-scale Purchase and the purpose of the Large-scale Purchase (descriptions of any other purposes such as the acquisition of a controlling interest or participation in management, net investment or policy-based investment, sale of the Company’s shares to a third party after the Large-scale Purchase, making a material proposal,<sup>10</sup> etc. Descriptions of all purposes are required if there is more than one.)).

iii. Provision of Necessary Information

After submitting the Letter of Intent in the above section ii, the Purchaser will follow the procedures below and provide the Company with the information in Japanese which is necessary and adequate for shareholders to assess the Large-scale Purchase and for the Board of Directors to evaluate and examine the Large-scale Purchase (the “Necessary Information”).

First, the Company will send to the Purchaser a list of information (the “Initial Information List”) to be initially submitted within 10 business days<sup>11</sup> of the Purchaser’s submission of the Letter of Intent, which will be addressed to the contact information in Japan in the above item (E) in section (i) under ii. The Purchaser will submit information to the Company that adequately details the information requested in the Initial Information List.

If the information provided by the Purchaser in response to the above Initial Information List is in the reasonable assessment of the Company’s Board of Directors inadequate for the Company’s shareholders to make decisions

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shareholder(s), and others.

<sup>9</sup> Whether or not an act prescribed in paragraph (iii) above has been conducted will be determined by the Company’s Board of Directors by following the recommendations of the Independent Committee. The Company’s Board of Directors may request that its shareholders provide necessary information to the extent deemed necessary for determining whether or not the act falls under the criteria described in (iii) above.

<sup>10</sup> The material proposals specified in paragraph (1), Article 27-26 of the Financial Instruments and Exchange Act, paragraph (1), Article 14-8-2 of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Ordinance on Disclosure of Large Volume Share Certificate, etc. Holding Status. Hereinafter, the same shall apply, unless otherwise prescribed.

<sup>11</sup> Business days are days other than the days listed in paragraph (1), Article 1 of the Act on Holidays of Administrative Organs. Hereinafter, the same shall apply.

regarding the details and condition of the Large-scale Purchase and for the Board of Directors to evaluate and examine the purchase, the Company will separately request that the Purchaser provide additional information. The Board of Directors may set a deadline for a Purchaser's responses if it is necessary for the appropriate and prompt implementation of the Plan. The period of 60 days from the day following the date on which the Initial Information List is sent is set as the maximum period for the Board of Directors to request that the Purchaser provide information and for the Purchaser to respond to the request (the "Information Provision Period"). Even when Necessary Information is not adequately submitted, if the Information Provision Period has expired, communication with the Purchaser about the provision of information will be terminated and the information provided up to that point will be used by the Board of Directors to assess and examine the proposed purchase (section iv below).

Information about the following items will be, in principle, included in the Initial Information List regardless of the details, condition and other aspects of the Large-scale Purchase.

- (i) Details (including background, specific name, capital composition, business description, financial information, and names and careers of executives) of the Purchaser and its group (including joint holders<sup>12</sup>, specially related parties, and, in the case of a fund, each partner, and other members)
- (ii) The purpose of the Large-scale Purchase (including the details of the purpose written in the Letter of Intent), method and description (whether intending to participate in the management of the Company, the type and amount of the consideration for the Large-scale Purchase, the timing of the Large-scale Purchase, the mechanism of related transactions, the number of shares to be purchased, the ownership ratio of shares after the purchase, and the method of the Large-scale Purchase)
- (iii) The basis of the calculation of the price for the Large-scale Purchase (including facts assumed for the calculation, calculation method, numerical information used for the calculation, details of synergy expected to form through a series of transactions related to the Large-scale Purchase, the name of a third party from which third-party opinions are surveyed at the time of calculation, overview of opinions, and the background of deciding the amount in light of the summary of opinions and such opinions)
- (iv) Financial support for the Large-scale Purchase (including specific names of fund providers (including substantive providers), financing methods, and related transactions)
- (v) If third parties are communicated with during the Large-scale Purchase, details of the communication and the profile of the third party
- (vi) If there is a rental agreement, collateral agreement, repurchase agreement or other important arrangements (the "Collateral Agreement"), specific details of the Collateral Agreement such as the type of the agreement, the other party to the agreement, and the number of shares in the agreement
- (vii) If the Purchaser plans to sign a Collateral Agreement or other agreements for the Company's share which the Purchaser plans to acquire through the Large-scale Purchase, or reach an agreement with a third party, specific details of the agreement such as the type of agreement, the other party to the agreement and the number of shares involved in the agreement.
- (viii) Management policies, business plans, capital policies and dividend policies of the Company and the Group
- (ix) Policies on employees, labor unions, business partners, customers and local communities of the Company and treatment of stakeholders related to the Company after the Large-scale Purchase
- (x) Specific measures to avoid conflicts of interests with other shareholders of the Company

The Company will promptly disclose information about its Board of Directors having received a proposal for a Large-scale Purchase from a Purchaser and will appropriately disclose any information considered necessary for shareholders and investors from the information in the overview of the proposal, the overview of Necessary Information and other information.

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<sup>12</sup> The "joint holder" specified in paragraph (5), Article 27-23 of the Financial Instruments and Exchange Act, including those deemed by the Company's Board of Directors to be joint holders based on paragraph (6) of the same Article. Hereinafter, the same shall apply.



In addition, if the Company's Board of Directors believes that a Purchaser has adequately provided Necessary Information, it will notify the Purchaser ("Notice of Completion of Information Supply") and promptly disclose this decision.

The Information Provision Period ends on the day the Board of Directors sends a Notice of Completion of Information Supply or the maximum length of the Information Provision Period has been reached, whichever comes first.

iv. Establishment of assessment period for the Board of Directors

The Board of Directors of the Company will set and promptly announce the following period (i) or (ii), beginning the day following the final day of the Information Provision Period for the Board of Directors to evaluate, examine, negotiate, form opinions on and develop alternative proposals (the "Board of Directors Evaluation Period") according to the evaluation difficulty and other condition of the Large-scale Purchase.

(i) Up to 60 days for a takeover bid for all shares of the Company to be paid in cash (yen)

(ii) Up to 90 days for other Large-scale Purchases

In either of the above (i) or (ii), the Board of Directors' Evaluation Period may be extended if the Board of Directors and the Independent Committee deem it necessary. In such a case, the Company will notify the Purchaser of the specific extension period and the rational reason why the extension period is considered necessary, which will also be disclosed to the shareholders and investors. The extension period will be up to 30 days.

The Board of Directors of the Company will adequately evaluate and examine the Necessary Information provided by the Purchaser while receiving the advice of external experts as necessary during the Board of Directors' Evaluation Period and examine the details of the Large-scale Purchase by the Purchaser in view of ensuring and increasing the corporate value of the Company and protecting the common interests of the shareholders. The Company will notify the Purchaser of the carefully considered opinions of its Board of Directors regarding the Large-scale Purchase developed through this examination which will be disclosed to the shareholders and investors in an appropriate and timely manner. The Company will negotiate the conditions and method of the Large-scale Purchase with the Purchaser as necessary. Its Board of Directors may propose an alternative to the shareholders and investors.

v. Advise of the Independent Committee regarding the implementation of countermeasures

The Independent Committee will advise the Company's Board of Directors on whether to take countermeasures by following the procedure below while the Board of Directors carries out the evaluation, examination, negotiation, opinion formation and development of alternative proposals in (4) above. To ensure that the decisions of the Independent Committee contribute to ensuring and increasing the Company's corporate value and protecting the common interests of shareholders, the Independent Committee may be advised, at the expense of the Company, by third parties (including investment banks, securities companies, financial advisors, certified public accountants, lawyers, consultants and other expenses), which are independent of the management of the Company engaged in the business operations of the Company. If the Independent Committee has provided the Company's Board of Directors with the following advice (i) or (ii), the Board of Directors will promptly disclose that this advice has been received, an outline of the advice received and other information considered appropriate by the Board of Directors.

(i) If the Purchaser fails to comply with the procedures specified in the Plan

The Independent Committee may advise the Company's Board of Directors to take countermeasures if the Purchaser fails to comply with the procedures specified in the Plan.

(ii) If the Purchaser has complied with procedures specified in the Plan

The Independent Committee will advise, in principle, that the Company not take countermeasures against the purchase if the Purchaser has complied with the procedures specified in the Plan.

However, even if the Purchaser has complied with the procedures specified in the Plan, the Independent Committee may advise that the Company implement countermeasures in exceptional circumstances if it deems that any of the acts indicated in Appendix 4 are intended and the purchase would significantly damage the Company's corporate value and the common interests of shareholders and that countermeasures would be appropriate.

vi. Resolution of the Board of Directors and confirmation of shareholders' intentions

The Board of Directors of the Company will respect the advice of the Independent Committee specified in section (5) above to the maximum extent possible and promptly pass a resolution regarding the implementation of countermeasures in light of this advice with the goal of ensuring and increasing the Company's corporate value and protecting the common interests of shareholders.

If the Independent Committee advises that countermeasures be implemented but advises that their implementation be delayed to confirm the intentions of the shareholders before their implementation, the Board of Directors will convene a General Meeting of Shareholders to confirm the intentions of the shareholders (a "General Meeting to Confirm the Intentions of Shareholders") and propose the implementation of countermeasures as soon as possible, in practice, unless holding such a meeting is extremely difficult due to business operations. The General Meeting to Confirm the Intentions of Shareholders may be held in combination with an Ordinary or Extraordinary General Meeting of Shareholders. If the Company's Board of Directors has decided to hold a General Meeting to Confirm the Intentions of Shareholders, the Board of Directors Evaluation Period will end at that point. If a resolution on the implementation of countermeasures is passed at the General Meeting to Confirm the Intentions of Shareholders, the Board of Directors will pass a resolution regarding the implementation of countermeasures based on the decisions made at the General Meeting to Confirm the Intentions of Shareholders and follow the necessary procedures. In contrast, if the resolution on the implementation of countermeasures is rejected at the General Meeting to Confirm the Intentions of Shareholders, the Board of Directors will pass a resolution regarding the non-implementation of countermeasures.

The vote at the General Meeting to Confirm the Intentions of Shareholders and in writing will be conducted according to the requirements for ordinary resolutions at the General Meeting of Shareholders of the Company. If the above resolution is approved, the Board of Directors will promptly disclose an overview of the resolution and other information considered appropriate by the Board of Directors regardless of whether the countermeasures will be implemented.

vii. Initiation of Large-scale Purchase

The Purchaser will comply with the procedures specified in sections (1) through (6) above and will not be able to initiate the Large-scale Purchase before the completion of such procedures.

(2) Countermeasures in the Plan

i. Specific contents of the countermeasure

The countermeasures taken by the Board of Directors based on the resolutions in (6) in above (1) will be the allotment of share acquisition rights without contribution (the "Share Acquisition Rights"). The overview of the allotment of share acquisition rights without contribution is provided in Appendix 5 "Overview of the Allotment of Share Acquisition Rights without Contribution."

ii. Cancellation or suspension of countermeasures

Even after the resolution of implementation of the countermeasures, or after the implementation, respecting the advice of the Independent Committee to the maximum extent possible, the Board of Directors may cancel the countermeasures or suspend their implementation (i) if the Purchaser has canceled the Large-scale Purchase after the resolution or implementation of the countermeasures or (ii) if the facts that are the conditions for the decision

to implement countermeasures have changed and it is believed that continuing the countermeasures is not appropriate for ensuring and increasing the Company's corporate value and protecting the common interests of shareholders. For instance, if the Board of Directors has passed a resolution to allot the Share Acquisition Rights as a countermeasure and the Purchaser has canceled the Large-scale Purchase, the Company may suspend the countermeasure by canceling the allotment of the Share Acquisition Rights up to the day prior to the ex-rights date for the record date set for the allotment of the Share Acquisition Rights or by acquiring the Share Acquisition Rights up to the day prior to the first day of the exercise period of the Share Acquisition Rights after the effective date of the allotment of Share Acquisition Rights.

(3) Effective period, termination and revision of the Plan

If approved at the Ordinary General Meeting of Shareholders, the effective period of the Plan will be the three years until the conclusion of the Ordinary General Meeting of Shareholders scheduled to be held in March 2027. However, the Plan will be revised or terminated immediately when a resolution to revise or terminate it has been passed at a General Meeting of Shareholders of the Company, even before the expiration of the effective period. Furthermore, the Plan will be terminated immediately if the Board of Directors consisting of Directors elected at the Company's General Meeting of Shareholders has passed a resolution to terminate the Plan.

The Board of Directors may revise or replace the Plan with the approval of the Independent Committee within the range reasonably deemed necessary due to changes made to the Companies Act, Financial Instruments and Exchange Act, other laws and regulations, rules of financial instrument exchanges, interpretation or operation thereof, taxation, judicial precedents, etc.

If the Plan has been terminated or revised, the Company will disclose the fact that it has been terminated or revised, the details of the revision in the case of a revision, and other information deemed appropriate by the Board of Directors.

3. Rationality of the Plan

(1) Satisfying all of the requirements in the guidelines regarding policies to respond to acquisition

This Plan fulfills all the three principles (the principle of protection and enhancement of corporate value and the common interests of shareholders, the principle of prior disclosure and shareholder intent, and the principle of ensuring necessity and appropriateness) required by the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and the Common Interests of Shareholders" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. This also considers the Corporate Value Study Group's "Takeover Defense Measures in Light of Recent Environmental Changes" dated June 30, 2008, "Principle 1-5. Anti-Takeover Measures" in Japan's Corporate Governance Code revised by the Tokyo Stock Exchange, Inc. on June 11, 2021, and "Guidelines for Corporate Takeovers" published by the Ministry of Economy, Trade and Industry (METI) on August 31, 2023.

(2) Maintained to ensure and increase the Company's corporate value and protect the common interests of shareholders

As stated in section 1 above, the Plan is to be maintained to increase the corporate value of the Company and protect the common interests of shareholders by allowing the shareholders to decide whether to approve a purchase of a large number of the Company's shares when such an offer is submitted and allowing the Board of Directors to secure the information and time necessary to propose an alternative plan and negotiate with the party requesting such a purchase in lieu of the shareholders.

(3) Placing importance on the intentions of shareholders

The Plan is to be maintained following shareholder approval at the Ordinary General Meeting of Shareholders. As

stated in section (3) of 2 above, the Plan is subject to revision or termination pursuant to a resolution at a subsequent General Meeting of Shareholders to revise or terminate the Plan even after its approval at the General Meeting of Shareholders. Therefore, the continuation, revision or termination of the Plan will fully reflect the intentions of the shareholders.

(4) Ensuring transparency by placing importance on the decisions of highly independent external parties and disclosing information

To eliminate arbitrary decisions by the Board of Directors, the Independent Committee has been established as an advisory body to the Board of Directors. It discusses resolutions and provides objective advice on the implementation of the Plan, including the implementation of countermeasures.

The Independent Committee is composed of at least three members elected from among the Company's Outside Directors or experts outside the Company (experienced corporate managers, former government employees, lawyers, CPAs, academic experts or equivalent individuals) independent of the management of the Company engaged in the Company's business operations.

Moreover, the Company will disclose outlines of the decisions made by the Independent Committee as necessary to the shareholders and investors and ensure the transparent implementation of the Plan, which will contribute to the Company's corporate value and protect the common interests of shareholders.

(5) Setting reasonable and objective requirements for implementation

As stated in (5) and (6) in (1) of 2 above, the Plan is to not be implemented without the reasonable and objective requirements for its implementation being satisfied, which prevents the arbitrary implementation of the Plan by the Board of Directors.

(6) Not a dead-hand or slow-hand takeover defense measure

As stated in section (3) of 2 above, the Plan may be terminated at any time by the Board of Directors composed of Directors elected at the Company's General Meeting of Shareholders. Accordingly, the Plan is not a dead-hand takeover defense (takeover defense, the implementation of which cannot be prevented even if a majority of the members of the Board of Directors are replaced).

In addition, because the term of office of the Company's Directors (excluding those serving as Audit & Supervisory Committee Members) is one year and not staggered, the Plan is not a slow-hand takeover defense measure (the prevention of implementation takes time due to the inability to replace all members of the Board of Directors at one time).

#### 4. Impact on shareholders and investors

(1) Impact of the continuation of the Plan on shareholders and investors

The Share Acquisition Rights will not be issued when the Plan is continued. Therefore, the Plan will not have any direct impact on the legal rights and economic benefits related to the Company's shares held by its shareholders when the Plan is continued.

As previously stated in section (1) of 2, the Company's policy on responding to acquisition varies depending on whether the Purchaser complies with the Plan. Therefore, the Company requests that its shareholders and investors pay attention to the actions of the Purchaser.

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

If the Board of Directors decides to take countermeasures and implements a gratis allotment of the Share Acquisition Rights, the Share Acquisition Rights will be allotted to the shareholders listed in the share register on the date of allotment separately determined based on the ratio of up to one Share Acquisition Right to each share.

While the per share value of the Company's shares held by the shareholders would be diluted when the Share Acquisition Rights are issued without contribution through this system, the entire value of the shares of the Company held by the shareholders would not be diluted. Therefore, no direct, specific impact on the legal rights and economic interests of the shareholders associated with the Company's shares is expected.

However, the legal rights and economic interests of the Purchaser may be affected in some ways as a result of the implementation of the countermeasures.

Even when the Board of Directors has passed a resolution to allot the Share Acquisition Rights without contribution, the price of the Company's shares may fluctuate to a reasonable extent if the Board of Directors has decided to cancel the countermeasures or suspends their implementation according to the procedures described in section (2), (2) of 2 above. For instance, after the shareholders to be allotted the Share Acquisition Rights without contribution have been determined, if the Company has suspended its implementation of countermeasures, acquired the Share Acquisition Rights without contribution, and does not issue new shares, the per-share value of shares held by the shareholders will not be diluted. Therefore, it should be noted that the shareholders and investors who have purchased the Company's shares assuming dilution may incur a loss due to the fluctuation of the share price.

If discriminatory conditions are attached to the exercise or acquisition of Share Acquisition Rights, the exercise or acquisition may affect the legal rights and economic interests of the Purchaser. Even in such a case, the Company does not expect the legal rights and economic interests associated with its shares held by shareholders other than the Purchaser to be directly and specifically impacted.

### (3) Procedures required of shareholders for the gratis allotment of the Share Acquisition Rights

Shareholders listed in the most recent share register as of the date of the allotment the Share Acquisition Rights will be entitled to the Share Acquisition Rights at the effective date of the gratis allotment of the Share Acquisition Rights, so they do not need to apply to receive them.

When following procedures for the acquisition of share acquisition rights to which conditions for acquisition are attached, shareholders other than the Purchaser will receive shares of the Company in consideration of the share acquisition rights acquired by the Company without paying money equivalent to the price of exercising the share acquisition rights. Therefore, no payment for the Share Acquisition Rights will be required.

In addition to the above, please refer to the information that is disclosed and notifications regarding the methods for the allotment, exercise, and acquisition by the Company of the Share Acquisition Rights and other details that the Company will, after the Company's Board of Director's resolution regarding the gratis allotment of the Share Acquisition Rights, release in a timely and appropriate manner by following procedures based on applicable laws and regulations and the rules of financial instrument exchanges.

**Overview of the Regulations for the Independent Committee**

1. By resolution of the Board of Directors, the Independent Committee shall be established as an advisory body to the Board of Directors to eliminate arbitrary decisions by the Company's Board of Directors regarding the implementation of countermeasures against Large-scale Purchases and ensuring the Board of Directors is able to objectively and rationally make decisions and respond to the situation.
2. The Independent Committee shall have at least three members who are elected by resolution of the Board of Directors from among (1) the Company's Outside Directors or (2) experts outside the Company (experienced corporate managers, former government employees, lawyers, CPAs, academic experts or equivalent individuals) independent of the management of the Company engaged in the Company's business operations. The Company enters into agreements with the members of the Independent Committee that include provisions regarding the duty of care of a good manager and confidentiality.
3. The term of office of the members of the Independent Committees shall end on the day of the conclusion of the Ordinary General Meeting of Shareholders held in the final fiscal year of the three years from their appointment or a day separately agreed upon between the Company and the specific committee member, unless otherwise provided for by resolution of the Board of Directors.
4. The Independent Committee shall be convened by the Representative Director of the Company or a member of the Independent Committee.
5. The members of the Independent Committee shall vote to elect a chairperson.
6. Resolutions of the Independent Committee shall be passed by affirmative votes of a majority of all the members, where all the current members of the Independent Committee are present. If any of the members are unable to be present due to an accident or other special reason, the chairperson shall be elected by a majority vote of members present at a meeting attended by a majority of the members.
7. The Independent Committee shall deliberate on the following matters, pass resolutions, and advise the Board of Directors based on the resolutions and the committees' reasons for the resolutions.
  - (1) Whether to take countermeasures as detailed in the Plan (including the assessment of whether the Large-scale Purchase would significantly damage the Company's corporate value and the common interests of shareholders and whether to confirm the intent of the shareholders regarding the countermeasures in advance of their implementation)

- (2) Cancellation of countermeasures as detailed in the Plan or the suspension of their implementation
- (3) Termination or revision of the Plan
- (4) Other matters about which the Board of Directors chooses to ask the Independent Committee about in connection with the Plan

Each of the Independent Committee members needs to deliberate on and pass resolutions of the Independent Committee in view of whether decisions made will contribute to the Company's corporate value and the common interests of shareholders and shall not act for their own personal profit or that of individuals that are members of the Company's management team.

- 8. The Independent Committee may have Directors or employees of the Company or other individuals it deems necessary attend the committee's meetings and demand opinions or explanations regarding matters being investigated by the committee.
- 9. The Independent Committee may receive advice from experts outside the Company (including investment banks, securities companies, financial advisors, CPAs, lawyers, consultants and other experts) on the business operations of the Company at the expense of the Company.

**Profiles of Independent Committee Member Candidates**

Hiroshi Kamiyabashi

(November 23, 1945)

March 1970	Graduated from Faculty of Law, The University of Tokyo
April 1972	Appointed the post of Public Prosecutor
December 1983	Secretary of the Minister of Justice
February 1985	Prosecutor for the Criminal Affairs Bureau, Department of Justice
September 1986	Registered as attorney at law
January 1988	Established Kamibayashi & Noguchi Law Office. (currently Kamibayashi Law Office, to present)
March 2014	Member of the Independent Committee of the Company (to present)
June 2014	Outside Director, Nitto Boseki Co., Ltd.

Naoya Hasegawa

(November 7, 1958)

April 1982	Joined The Yasuda Fire and Marine Insurance Co., Ltd. (currently Sompo Japan Insurance Inc.)
March 1998	Master of Business Administration from the Graduate School of Sociology at Hosei University
March 2002	Master of Laws from the Graduate School of Law at Waseda University
March 2005	Doctor of Business Administration from the Graduate School of International Social Studies at Yokohama National University
April 2011	Professor in the Department of Sustainable Studies of Hosei University's Faculty of Sustainable Studies (to present)
February 2020	Corporate Advisor, Panair, Inc.
April 2020	Senior Sustainability Advisor, Sapporo Holdings Ltd. (to present)
March 2021	Outside Director of the Company (tp present)
March 2021	Member of the Independent Committee of the Company (to present)
June 2021	Outside Director, Nissan Tokyo Sales Holdings Co., Ltd. (to present)
October 2022	Outside Director (Audit & Supervisory Committee Member), Silver Life Co., Ltd. (to present)
January 2024	Advisor of Miraial Co., Ltd. (to present)
February 2024	Advisor of Kohoku Kogyo Co., Ltd. (to present)

\* The Company has registered Mr. Naoya Hasegawa as an Independent Officer pursuant to the provisions of the Tokyo Stock Exchange.



Hitoshi Takahashi

(September 21, 1955)

- March 1980      Graduated from Hokkaido University, Faculty of Economics and Business
- April 1980      Joined Nippon Steel Corporation  
Head of Steel Tube Sales Planning and Coordination Section, Manager of Audit Department, etc., Senior Manager,, Nippon Steel U.S.A., Inc.
- March 2005      Master of Corporate Law from the Graduate School of Business Sciences, University of Tsukuba  
Master's degree (law)
- March 2008      PhD in Business Law from the Graduate School of International Corporate Strategy at Hitotsubashi University  
PhD (business law)
- October 2010     Professor, Graduate School of Law, Dokkyo University
- April 2017      Professor, Faculty of Law, Dokkyo University (to present)
- June 2019      Independent Outside Corporate Auditor, Jamco Corporation (to present)
- April 2023      Corporate Advisor, Proact Law Office (to present)

Takenori Kaneko

(November 9, 1964)

- March 1988      Graduated from Faculty of Law, The University of Tokyo
- April 1988      Joined Tokio Marine & Fire Insurance Co., Ltd.
- June 1992      Joined Arai Accounting Office as CPA and tax accountant
- April 1997      Registered as certified public accountant
- June 1998      Director and Audit and Supervisory Committee Member, Avaldata Corporation (Independent Director) (to present)
- May 1999      Head of Kaneko Takenori CPA Office (to present)
- July 1999      Registered as a certified tax accountant

There is no special interest between the above four individuals and the Company.

**Shareholdings of Major Shareholders of the Company**

(As of December 31, 2023)

1. Total number of authorized shares: 200,000,000 shares

2. Total number of outstanding shares: 49,290,632 shares

3. Number of shareholders: 24,507

4. 10 Largest shareholders

Name of shareholder	Number of shares held (thousands)	Shareholding ratio (%)
TORQ Inc.	5,386	11.59
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,162	8.96
Mizuho Bank, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	2,311	4.97
MUFG Bank, Ltd.	2,165	4.66
Custody Bank of Japan, Ltd. (Trust account)	1,423	3.06
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	1,388	2.98
Kazuko Okabe	1,004	2.16
The Dai-ichi Life Insurance Company, Limited (Standing proxy: Custody Bank of Japan, Ltd.)	870	1.87
Okabe subcontractors' ownership association	731	1.57
Okabe distributors' ownership association	638	1.37

(Notes) 1. The Company holds 2,845,130 shares of treasury stock, but we do not include it in the list of principle shareholders.

2. The treasury shares are excluded for the purpose of calculating shareholding ratios.

**Types of Situation Deemed to Significantly Damage the Company's Corporate Value  
and the Common Interests of the Shareholders**

1. The Purchaser is trading the Company's shares evidently for the purpose of raising their price and selling them to the Company or its affiliates at a high price despite having no intention to participate in corporate management (so-called greenmail).
2. The Purchaser is trading the Company's shares evidently for the purpose of temporarily controlling the Company's management and transferring intellectual property rights, expertise, trade secrets, information about major business partners and/or customers and other assets of the Company and/or its affiliates required for the management of its businesses to the Purchaser or its affiliates.
3. The Purchaser is acquiring the Company's shares evidently for the purpose of using the assets of the Company or its affiliates as collateral for borrowings of the Purchaser or its affiliates or as funds for repayment after controlling the Company's management.
4. The Purchaser is acquiring the shares of the Company evidently for the purpose of temporarily controlling the management of the Company to sell or otherwise dispose of real estate, securities or other high-value assets that are not relevant to the business of the Company or its affiliates for the time being and demanding that the Company pay high dividends for a limited time or to attempt to sell the Company's shares at high prices while the Company's share prices surge following the temporarily high dividends.
5. The method of purchasing the Company's shares proposed by the Purchaser is deemed to potentially, in effect, force the shareholders to sell the Company's shares by limiting the shareholders' opportunities or freedom to make decisions through the so-called coercive two-tier tender offer (purchase of shares such as a tender offer without bidding for all of the Company's shares in the first stage and by setting disadvantageous or unclear purchase conditions in the second stage).

**Outline of the Case for Implementing Allotment of Share Options Without Contribution**

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

The total number of Share Acquisition Rights to be allotted shall be the number determined separately by resolution of the Board of Directors on the gratis allotment of the Share Acquisition Rights (the “Resolution to Allot Share Acquisition Rights without Contribution”), which shall be up to the number that is the final total number of the Company’s shares outstanding (excluding the number of the Company’s shares held by the Company at the same point in time) on a specific day determined separately by the Board of Directors by Resolution to Allot Share Acquisition Rights without Contribution (“Date of Allotment”).

## 2. Shareholders entitled to the allotment

The shareholders listed in the most recent share register on the Date of Allotment shall be given the Share Acquisition Rights up to one right for each share of the Company’s common stock held by them (excluding the Company’s shares held by the Company at the same point in time).

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

The effective date shall be a day determined separately by the Board of Directors by Resolution to Allot Share Acquisition Rights without Contribution.

## 4. Class and number of shares underlying Share Acquisition Rights

The class of shares underlying the Share Acquisition Rights shall be shares of common stock of the Company. The number of shares underlying the Share Acquisition Rights (the “Number of Entitled Shares”) shall be the number separately determine by the Board of Directors by Resolution to Allot Share Acquisition Rights without Contribution up to the maximum of one right per share. Necessary adjustments shall be made if the Company has conducted a stock split or a reverse stock split.

## 5. Breakdown and prices of assets contributed to exercising the Share Acquisition Rights

Contributions upon exercise of the Share Acquisition Rights shall be made in cash. The amount of the Company’s common stock per share as assets to be contributed upon exercise of the Share Acquisition Rights shall be an amount that is one yen or higher separately determined by the Board of Directors by Resolution to Allot Share Acquisition Rights without Contribution.

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

Approval from the Board of Directors of the Company shall be required for the transfer of Share Acquisition Rights.

## 7. Conditions for the exercise of Share Acquisition Rights

(1) Specific holders of a large amount of shares,<sup>13</sup> (2) joint holders of specific holders of a large amount of shares, (3) specific purchasers of a large amount of shares,<sup>14</sup> (4) specially related parties of specific purchasers of a large amount of shares, (5) parties receiving or taking over the Share Acquisition Rights from parties that are described in (1) through (4) without the approval of the Board of Directors, or (6) parties related to the parties described in (1) through (5)<sup>15</sup> (collectively “Non-qualified Parties”) shall not be able to exercise the Share Acquisition Rights. Details of the conditions for exercising the Share Acquisition Rights shall be determined separately by Resolution to Allot Share Acquisition Rights without Contribution.

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

The Company may acquire the Share Acquisition Rights held by a party other than Non-qualified Parties on a day separately determined by the Board of Directors and, in exchange for this, issue shares of the Company’s common stock in the number specified for each of the Share Acquisition Rights. The Board of Directors may not attach an acquisition clause allowing the payment of cash in consideration of Share Acquisition Rights held by a Non-qualified Party as part of the details of the Share Acquisition Rights. Details of the conditions for acquiring the Share Acquisition Rights shall be determined separately by Resolution to Allot Share Acquisition Rights without Contribution.

## 9. Acquisition without contribution in the case of cancellation, etc. of the implementation of countermeasures

If the Company has canceled the implementation of countermeasures or in other cases determined separately by the Board of Directors by Resolution to Allot Share Acquisition Rights without Contribution, the Company may acquire all of the Share Acquisition Rights without contribution.

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

The period for exercising the Share Acquisition Rights and other matters required shall be determined separately by the Board of Directors by Resolution to Allot Share Acquisition Rights without Contribution.

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<sup>13</sup> Holders of shares issued by the Company whose shareholding ratio in the Company’s shares is 20% or higher, or any party recognized as such by the Board of Directors. However, any party whose acquisition and possession of the Company’s shares is recognized as not being in conflict with the Company’s corporate value and the common interests of shareholders or separately specified by the Board of Directors by Resolution to Allot Share Acquisition Rights without Contribution shall not be a Non-qualified Party.

<sup>14</sup> Any party that has publicly announced its intent to purchase (i.e., a purchase, etc. defined in Article 27-2 (1) of the Financial Instruments and Exchange Act, the same applies in these footnotes.) shares (i.e., share certificates, etc. defined in Article 27-2 (1) of the Financial Instruments and Exchange Act, the same applies in these footnotes.) issued by the Company through a tender offer, whose shareholding ratio related to the shareholding (including the cases specified in Article 7 (1) of the Order for Enforcement of the Financial Instruments and Exchange Act as being equivalent to this) after the purchase concerned is 20% or greater when combined with the shareholding ratios of the specially related parties of the party concerned or any party recognized as such by the Board of Directors. However, any party whose acquisition and possession of the Company’s shares is recognized as not being in conflict with the Company’s corporate value and the common interests of shareholders or separately specified by the Board of Directors by Resolution to Allot Share Acquisition Rights without Contribution shall not be a Non-qualified Party.

<sup>15</sup> A party related to a certain party means one which, in effect, controls the party concerned, is controlled by the party concerned, controls relevant interests jointly with the party concerned (including any party recognized as such by the Board of Directors), or is recognized as acting in cooperation with the party concerned by the Board of Directors. The term “control” means when a party controls decisions regarding the financial and business policies of another company, etc. (defined in Article 3 (1) of the Regulations for Enforcement of the Companies Act).

Flow Chart of the Procedures for the Plan

