

Note: This document has been translated from 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.

May 21, 2026

To Whom It May Concern:

Company name	Japan Cash Machine Co., Ltd.
Representative	Yojiro Kamihigashi, President and Representative Director (Securities code:6418, Prime Market of Tokyo Stock Exchange)
Inquiries	Tsuyoshi Takagaki, Senior Executive Director
Telephone	+ 81-6-6643-8400 (Main number)

### **Notice Concerning Continuation of Policy to Address Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)**

Japan Cash Machine Co., Ltd. (hereinafter referred to as the "Company"), having obtained approval by resolution of the 53rd Ordinary General Meeting of Shareholders held on June 28, 2006, as a measure for enhancing the Company's corporate value, as well as for ensuring and improving the common interests of the shareholders, the Company introduced countermeasures against Large-Scale Purchases of the Company's shares (takeover defense measures) for the purpose of preventing abusive acquisition of the Company and other hostile actions. Subsequently, the continuation of the policy was approved by shareholders most recently at the 70th Ordinary General Meeting of Shareholders, as part of the contents were revised as necessary in consideration of various developments about takeover defense measures (hereinafter referred to as the "Current Plan"). The effective period of the Current Plan will expire at the conclusion of the 73rd Ordinary General Meeting of Shareholders to be held on June 24, 2026 (hereinafter referred to as "this Ordinary General Meeting of Shareholders").

After the continuation of the Current Plan was approved, the Company has explored the best way to implement it, including the pros and cons of having it from the perspective of enhancing corporate value, as well as ensuring and improving the common interests of the shareholders, taking into account changes in social and economic conditions, and developments in various arguments on takeover defense measures.

As a result, at the Board of Directors Meeting held today, the Company decided to continue the Current Plan after the necessary revisions on the condition that shareholders at this Ordinary General Meeting of Shareholders approve it as an effort to prevent an inappropriate person from controlling the decisions on the financial and business policies of the Company (Article 118, Item (iii) (b) (2) of the Regulations for Enforcement of the Companies Act) in light of the Basic Policies related to the way the persons are to control the decisions on the financial and business policies of the Company (hereinafter the "Basic Policies"), provided by Article 118, Item (iii) of the Regulations for Enforcement of the Companies Act (hereinafter, the takeover defense measures after continuation are referred to as "this Plan"). The Company hereby announces this decision.

At the above meeting of the Board of Directors, the continuation of this Plan was unanimously approved and passed by all ten Directors (including four Independent Outside Directors and three Audit & Supervisory Committee Members), and the Audit & Supervisory Committee, which consists of three members including two Independent Outside Directors, also expressed its approval of this Plan, provided that the concrete implementation of this Plan is carried out appropriately.

The major changes to this Plan are as follows.

- 1) In regard to the medium-term management plan, the Company has updated the details of the new three-year plan for the period from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029, which was announced today.
- 2) As the criteria to be used in determining whether a party falls under the category of “Large-Scale Purchase” or “Non-Qualified Person,” and whether such party has “substantial control” or is “acting jointly or in concert,” the Company has prepared the “Criteria for Determining Joint or Concerted Actions,” as set out in [Attachment 2].
- 3) Other wording and expressions have been revised.

#### **I. Basic Policies Related to the Way the Persons who Control the Decisions on the Financial and Business Policies of the Company**

The Company believes that the persons who control the decision on the financial and business policies of the Company need to be persons who fully understand details of financial and business affairs, the origin of the Company’s corporate value, and the relationships of trust with each of the stakeholders who support the Company, and who sincerely aims to continuously secure and enhance the Company’s corporate value, and also the common interests of its shareholders.

Since the Company is a listed company, the purchase and sale of the Company’s shares is, in principle, made at the discretion of shareholders and investors, and the Company believes that the decision whether or not to accept a proposal to purchase a large number of shares, which would involve a transfer of control of the company, should ultimately be made based on the consensus of the shareholders. Even if it is a Large-Scale Purchase of shares of the Company, if it contributes to the improvement of the Company’s corporate value and ultimately to the common interests of shareholders, the Company does not deny this, nor does the Company deny the significance and effect of revitalizing corporate activities through changes in management control.

However, in recent years, there has been a trend in Japan’s capital markets to suddenly, in a hostile and unilateral manner, purchase a large number of shares without prior consultation or agreement with the management of the target company. Among the unilateral purchases of a large number of shares, the Company believes there may be purchases that significantly damage the enhancement of the corporate value of the target company and consequently the common interests of its shareholders, such as those that target only businesses, assets, technology or know-how in a specific field, or that would obviously damage the corporate value of the target company and consequently the common interests of its shareholders due to the purpose of the purchase; those that may effectively force shareholders to sell their shares; those that do not provide sufficient time or information to consider the Large-Scale Purchase for the Board of Directors or shareholders of the target company or to propose an alternative proposal for the Board of Directors of the target company; and those that do not show a sincere intention to conduct reasonable management activities.

As part of the responsibility of the management entrusted by the Company's shareholders, the Company has made efforts to conduct investor relations activities so that the Company's shareholders and investors can understand the appropriate value of the Company's shares. However, the Company believes that it is essential that appropriate and sufficient information be provided by both the Large-Scale Purchaser and the Board of Directors of the Company to the shareholders who are required to make an appropriate decision in a short period of time on the appropriateness of the price for the acquisition of the Company's shares presented by the Large-Scale Purchaser (defined in III. 2. (1) below; the same shall apply hereinafter) in the event of a Large-Scale Purchase such as a sudden large-scale acquisition of the Company's shares (defined in III. 2. (1) below; the same shall apply hereinafter). Furthermore, the Company believes that information such as the impact of the Large-Scale Purchase on the Company, the management policy of the Large-Scale Purchaser when it participates in the management of the Company, the details of the Large-Scale Purchaser's business plan, the Large-Scale Purchaser's past investment activities, and the opinion of the Board of Directors of the Company regarding the Large-Scale Purchase will be important factors for shareholders in making their decisions.

With respect to this, although there is a certain framework for information disclosure under the tender offer regulations of the current Financial Instruments and Exchange Act, the number of questions to the Large-Scale Purchaser in the Opinion Report, as permitted under the Financial Instruments and Exchange Act, is limited to a single occasion, and the Large-Scale Purchaser is not required to provide sufficient answers to such questions, and it is possible for the Large-Scale Purchaser not to provide answers with reasons. Therefore, it cannot be denied that even in the case of a Large-Scale Purchase to which the Tender Offer Regulations apply, there may be cases in which shareholders are required to respond to the pros and cons of the Tender Offer without providing sufficient information and without securing sufficient time for shareholders to consider whether or not to accept the Tender Offer.

As a result of considering the above situation, the Company believes that it is necessary for a Large-Scale Purchaser to provide the Board of Directors in advance with information necessary and sufficient for the shareholders to make decisions regarding such Large-Scale Purchase in accordance with certain reasonable rules established and disclosed in advance by the Company, and that Large-Scale Purchase should commence only after a certain Assessment Period by the Board of Directors has elapsed.

In addition, as mentioned above, there may be Large-Scale Purchases that would cause irreparable damage to the Company or significantly impair the corporate value of the Company and ultimately the common interests of its shareholders. The Company recognizes that it is its natural responsibility as those responsible for management of the Company to protect the corporate philosophy and brand of the Company and the interests of its shareholders and other stakeholders from such Large-Scale Purchases.

In order to fulfill the above responsibilities, the Board of Directors believes that it is necessary to determine whether or not a Large-Scale Purchaser who intends to acquire a large number of the Company's shares is appropriate as the persons who control the decisions on the Company's financial and business policies, after carefully considering the impact of such acquisition on the enhancement of the corporate value of the Company and the common interests of its shareholders, based on the details of the Large-Scale Purchaser's business, future business plans, past investment activities, and other factors, and that it is necessary to take measures that

the Board of Directors considers appropriate in accordance with certain reasonable rules established and disclosed in advance in order to enhance the corporate value of the Company and, by extension, ensure the common interests of its shareholders.

## **II. The Source of the Company's Corporate Value and Special Efforts that Contribute to Putting the Basic Policies into Practice**

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

Since its founding in 1955, the Company, as a group, has pursued a unique business model by developing, manufacturing, and selling various banknote-related units for the gaming market and commercial market (retail, financial, transportation, etc.) including a variety of vending machines, payment machines and information terminals, as well as a broad range of labor-saving machines for handling money in markets around the world. The Company has promoted these businesses through carrying out basic research and technology development with an eye on the future, backed by technological capability and a huge amount of monetary data accumulated over decades related to currency validation and transport, which the Company has cultivated over many years, as well as on a stable financial foundation.

In addition, the Company has obtained more than 195 gaming licenses through rigorous screening of the Company and its management team by the Gaming Commission of each U.S. state, and maintains a high share of the U.S. gaming market based on its credibility as a compliance-oriented company.

The Company has contributed to the development of the economy and society through these unique businesses while helping build a social infrastructure and security systems that meet the needs of the times by developing hybrid products with bill validator units in response to the rise of cashless payments, and system products that integrate bill transport technology and cash deposit function. The Company will continue to make efforts to broadly promote its high-quality, high-performing products to various markets and to increase their adoption in various fields.

### **2. Outline of efforts to maximize corporate value**

#### **(1) Formulation of the Medium-Term Management Plan**

The Company is currently conducting its business activities under the following basic policies and key measures set forth in the Medium-Term Management Plan, "JCM Global Vision 2032 -Next Growth Stage-" (hereinafter referred to as the "Current Medium-Term Management Plan"), announced on May 21, 2026, with fiscal year 2028 (the fiscal year ending March 31, 2029) as the final fiscal year of the plan.

#### **【Basic Policy】**

With a view toward achieving sustainable growth in the future, the Company clarified the basic policy and key issues for realizing its "Vision for 2032" in the Previous Medium-Term Management Plan. Under the Current Medium-Term Management Plan as well, the Company will continue to steadily promote various measures aimed at realizing its desired future state.

- 1) Continuing to be a company that earns customer trust in the diversified field of money transactions (payment settlement).
- 2) Aiming to establish a name for ourselves in new business domains.

The three-year period covered by the Current Medium-Term Management Plan is positioned as a period for transforming the results of the “seed-sowing” initiatives undertaken during the three years of the Previous Medium-Term Management Plan into a solid earnings foundation for the commercial business, in order to realize the Company’s Vision for 2032.

Based on the stable earnings generated by the global gaming business, which is the Company’s core business, the Company aims to establish the commercial business as the next pillar of earnings, while strengthening each area of its business portfolio, capital allocation, human resources, and sustainability initiatives in order to maximize corporate value. The key measures to achieve these objectives are as follows.

**【Key Measures】**

“Maximize corporate value through growth investments, business transformation, and the strengthening of management foundations, based on stable earnings from existing businesses.”

- ① Expansion of Existing Businesses
- ② Establishment of New Earnings Foundations
- ③ Transformation of the Business Portfolio
- ④ Disciplined Cash Allocation
- ⑤ Human Resources Strategy and Enhancement of Human Capital
- ⑥ Advancement of Sustainability Management

**【Quantitative Targets】**

Consolidated Results Targets

	(Millions of yen)		
	FY2026 (FY ending March 31, 2027)	FY2027 (FY ending March 31, 2028)	FY2028 (FY ending March 31, 2029)
Net sales	39,000	41,000	42,000
Operating profit	3,000	3,700	4,100
Profit attributable to owners of parent	2,300	2,600	2,900

**【Key Management Indicators】**

- Net Sales (CAGR): 10% (FY2025 to FY2028)
- Operating Profit Margin: 10% (FY2028)
- ROE: 8% (FY2028)
- International Commercial Business Sales Ratio: 38% (FY2028) \*FY2025: 15%

(2) Strengthening of corporate governance

In June 2006, the Company introduced an executive officer system to separate management oversight functions from business execution functions and has made a series of reforms to corporate governance in pursuit of the most appropriate style for the Company. In June 2014, the Company introduced an Outside Director system to

strengthen the supervisory function of Directors over the execution of business and to improve management transparency. The Company currently has four Outside Directors, two of whom serve as Audit & Supervisory Committee Members, including one female Director, as the Company continues efforts to ensure diversity in the Board of Directors and to strengthen the supervisory function.

(3) Policy for shareholder returns

Regarding the policy for shareholder returns, the Company aims to determine dividends based on a minimum consolidated dividend payout ratio of 30%, while also taking into consideration the dividend on equity ratio, and considering both an increase in dividend amounts through expanding profits via the Company's growth strategy, and stable dividend payments of dividends as a form of shareholder returns. However, in order to further enhance returns to shareholders while working to expand business performance under the Current Medium-Term Management Plan, the Company has changed its dividend policy to a consolidated dividend payout ratio of 50% or more.

**III. Efforts to Prevent an Inappropriate Person from Controlling the Decisions on the Financial and Business Policies of the Company in Light of the Basic Policies**

1. Purpose of the continuation of this Plan

This Plan is intended to be continued for the purpose of enhancing the Company's corporate value and ultimately improving the common interests of the shareholders in accordance with the Basic Policies described in I.

The Board of Directors of the Company has concluded that it is essential to have in place a framework for preventing Large-Scale Purchases of shares that impair the corporate value of the Company and ultimately the common interests of the shareholders. Under the framework, in the case of a Large-Scale Purchase of shares of the Company, the Board of Directors will have the Large-Scale Purchaser provide information on the said Large-Scale Purchase in advance, and thereby, the shareholders can decide whether or not to accept the Large-Scale Purchase, or the Board of Directors of the Company can secure the information and time necessary to make alternative proposals or negotiate with the Large-Scale Purchaser on behalf of the shareholders.

The situation of major shareholders of the Company as of March 31, 2026 is as described in [Attachment 1]. As of the date stated above, approximately 25% of the total issued share of the Company is held by the Company's board members (six Directors and seven Executive Officers) and their related parties (one asset management firm, the employee shareholding association, and one relative within a second degree of kinship with a Director). However, the Company is listed on a stock exchange. Therefore, it is natural that shares of the Company change hands through market transactions and other transfers based on the independent will of shareholders. About 8% of the approximately 25% shares held by the Company's Directors and their related parties are held by individual shareholders. It cannot be denied that the possibility exists that the Company's shares may be transferred, inherited, or otherwise disposed of according to the will or circumstances of each individual, and that the shares held may be dispersed, and future stability cannot necessarily be assured. Accordingly, there is a possibility that a Large-Scale Purchase of shares may be made in the future that may impair the corporate value of the Company and the common interests of shareholders.

Accordingly, having determined that it remains necessary to have measures in place to prevent an inappropriate person from controlling the decisions on the financial and business policies of the Company in light of the Basic Policies, the Company, at the Board of Directors Meeting held today, resolved to continue this Plan, subject to approval by shareholders at this Ordinary General Meeting of Shareholders.

As of the time the continuation of this Plan was resolved, the Board of Directors of the Company had not received any proposal regarding a Large-Scale Purchase from any specific third party.

## **2. Details of this Plan**

The contents of this Plan are as follows. Please also refer to the procedures related to this Plan, which are summarized in the form of a flowchart in [Attachment 3].

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

Under this Plan, any person (“Large-Scale Purchaser”) who conducts or intends to conduct an act falling under items 1), 2) or 3) below (such acts, unless approved in advance by the Board of Directors of the Company, being hereinafter referred to as a “Large-Scale Purchase”) shall follow the procedures set forth in this Plan.

- 1) A purchase or acquisition that results in the aggregate shareholding ratio (Note 3) of holders (Note 2) of share certificates, etc., issued by the Company (Note 1) reaching 20% or more.
- 2) A tender offer that results in the aggregate ownership ratio (Note 6) of share certificates, etc., issued by the Company (Note 4), of the person making the tender offer (Note 5), and its special related parties (Note 7), reaching 20% or more.
- 3) Regardless of whether the acts specified in 1) or 2) above have been performed, acts conducted by a specific shareholder of the Company with another shareholder of the Company (including multiple shareholders; the same shall apply hereinafter) as well as agreements or other acts as a result of which such other shareholder(s) become joint holders (Note 8) with the specific shareholder or acts that establish a relationship in which one party substantially controls the other or they act jointly or in concert (Note 9). (However, this is limited to cases where the total shareholding ratio of the specific shareholder and the other shareholders with respect to share certificates, etc. issued by the Company is 20% or more).

Note 1) means the share certificates, etc. as defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter except as otherwise provided.

Note 2) means the holders as defined in Article 27-23, paragraph 3 of the Financial Instruments and Exchange Act. The same shall apply hereinafter except as otherwise provided.

Note 3) means the shareholding ratio of share certificates, etc., prescribed in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter except as otherwise provided.

Note 4) means share certificates, etc. defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply in item 2) below.

Note 5) means tender offers as defined in Article 27-2, paragraph 6 of the Financial Instruments and Exchange Act. The same shall apply hereinafter except as otherwise provided.

Note 6) means the ownership ratio of share certificates, etc. as defined in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter except as otherwise provided.

Note 7) means special related parties as defined in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act. However, with respect to the persons prescribed in Item 1 of the same paragraph, those prescribed in Article 3, paragraph 1 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc., by Person Other Than Issuer shall be excluded. The same shall apply hereinafter except as otherwise provided.

Note 8) means the joint holders as defined in Article 27-23, paragraph 5 of the Financial Instruments and Exchange Act. The same shall apply hereinafter except as otherwise provided.

Note 9) The determination of whether a “relationship in which one of the relevant shareholders substantially controls the other, or the parties act jointly or in concert” has been established shall be made in accordance with the standards set forth in [Attachment 2]. The standards set forth in [Attachment 2] may be reasonably amended from time to time by a resolution of an independent committee based on amendments to laws and regulations, trends in court precedents, etc. In such cases, however, the Company will promptly disclose such changes.

## **(2) Demand for Information from Large-Scale Purchasers**

If Large-Scale Purchasers conduct a Large-Scale Purchase, they are first required to submit to the Company a letter of intent, prior to commencing the Large-Scale Purchases, stating that the said Large-Scale Purchasers will observe the procedures set forth in this Plan when conducting Large-Scale Purchases.

The letter of intent shall be in the form specified by the Company and clearly describe the name, address, jurisdiction of incorporation of the Large-Scale Purchasers, the name of the representative, and their contact information in Japan, as well as the outline of the Large-Scale Purchases. The language used in the letter of intent shall be limited to Japanese.

Next, the Company will provide to Large-Scale Purchasers, within 10 business days of receiving the letter of intent, a list of information items that Large-Scale Purchasers shall submit to enable shareholders of the Company to make appropriate decisions and the Company’s Board of Directors to form its opinions (hereinafter referred to as the “Necessary Information”). The specific contents of the information to be submitted include the following as concrete examples, though they depend on the attributes of Large-Scale Purchasers and the contents of Large-Scale Purchases. Such information shall also be submitted in Japanese only.

### **(a) Specific details of Large-Scale Purchases**

- 1) Purposes, methods, and contents of Purchases (including the timing of purchases, the structure of related transactions, legality of purchasing methods, and the likelihood of completion of the Purchases, etc.).
- 2) Whether or not there has been communications or discussions with a third party at the time of the Large-Scale Purchase (including communication of intention to make a material proposal, etc. to the Company), and if so, the specific form and content of such communication and an outline of the third party.
- 3) Contents of consideration for Purchase (the value, types, etc.) and grounds for the calculation (facts and hypotheses as the premises of the calculation, calculation method, and numerical information used for calculation, as well as the value of synergies that are expected to be created by a series of deals related to Purchases and grounds for the calculation).

- 4) Information substantiating the availability of funds for Purchases, the specific name of fund providers to Large-Scale Purchasers (including ultimate providers of funds), and methods for financing Purchases (including the contents of related deals).
- 5) Contents of the Company group's management policies, business plans, financial plans, capital policies, dividend policies, measures for utilizing assets, etc., after the Large-Scale Purchase is executed.
- 6) Policies for treating the Company's and Company group's stakeholders, including employees, trading partners, and customers, after the Large-Scale Purchase is executed.
- 7) Other information that the Company reasonably determines to be necessary.

(b) Matters related to Large-Scale Purchasers

Details include the specific names, capital structures, and career records or histories of Large-Scale Purchasers and their groups (main shareholders or investors, main subsidiaries and affiliates, joint holders and special related parties), as well as information on investors, members and constituent members (in the case of a fund) and those providing ongoing advice on such investments, such as their line of business, financial standing, business performance, histories and outcomes of their past acquisitions, existence or nonexistence of past violations of laws or regulations and their contents, if any, and the career records of board members and other relevant people.

The Company may ask for additional information until all Necessary Information is collected, if the information already submitted by itself is regarded as insufficient for forming an opinion that facilitates the judgment of the shareholders and if written consent on the need for additional information is obtained from a Special Committee.

However, the period for the Large-Scale Purchasers' provision of information (hereinafter referred to as the "Period for Providing Information") is set to a maximum of 60 days after the day the list for the Necessary Information is dispatched. If the Period for Providing Information passes before all the Necessary Information is provided, the Company shall terminate discussions regarding the provision of information with the Large-Scale Purchasers and commence the procedures described in (3) below.

The Board of Directors of the Company will appropriately disclose the fact that the letter of intent was submitted. Regarding information provided to the Company, the Company will disclose all or part of such information at the time deemed appropriate by the Company, if the Company deems such disclosure necessary.

**(3) Review of the Contents of Large-Scale Purchases, Negotiations with Large-Scale Purchasers, and Presentation of Alternative Proposals**

If the Board of Directors of the Company determines that the information that it asked for based on (2) above has been obtained in a sufficient amount, or when the Period for Providing Information expires, the Board of Directors will notify the Large-Scale Purchasers to that effect, and disclose this promptly and set the period specified in 1) or 2) below as the time for assessing and examining the information, negotiating with the Large-Scale Purchasers, or forming of opinions and formulating alternative proposals with respect to the Large-Scale Purchases, depending on the contents of the Large-Scale Purchases (hereinafter referred to as the "Assessment Period"). A Large-Scale Purchase may only be commenced after the Assessment Period expires.

- 1) 60 days (the first day is not included) in the case of Purchases of all shares of the Company through a tender offer with cash (Japanese yen) as the only consideration.
- 2) 90 days (the first day is not included) in the case of Purchases other than the above.

During the Assessment Period, the Board of Directors of the Company will assess and examine the contents of the Large-Scale Purchases of the Large-Scale Purchasers from the perspective of enhancing the Company's corporate value and ultimately, ensuring and improving the common interests of the shareholders, based on the information and materials that the Large-Scale Purchasers have submitted. In addition, the Board of Directors of the Company will discuss or negotiate with the Large-Scale Purchasers to improve the contents of the Purchases, as necessary, from the perspective of enhancing the Company's corporate value and ultimately, ensuring and improving the common interests of the shareholders, as well as present alternative proposals to the shareholders.

If the Board of Directors does not reach a final decision on whether or not to implement this Plan within the Assessment Period, the Board of Directors may pass a resolution to extend the Assessment Period by a maximum of 30 days (the first day is not included) within the range necessary to examine the contents of the Purchases of the Large-Scale Purchasers, negotiate with Large-Scale Purchasers, prepare alternative plans, etc. In this case, the Board of Directors of the Company will disclose the reason for extending the Assessment Period, the extended period of time, and matters that are regarded as appropriate promptly after the resolution of the extension was passed.

#### **(4) Recommendations by the Special Committee**

##### **(a) The Special Committee**

The Company has set up a Special Committee separately as is the case with the Current Plan for the purpose of ensuring the objectivity and reasonableness of the judgments of the Board of Directors of the Company with respect to discussions, negotiations with the Large-Scale Purchasers, and extensions of the Assessment Period, provided for in (3) above, as well as the applicability, etc., of Trigger Events, set forth in (b) below.

The Special Committee will follow the procedure provided for in "Special Committee Rules" to assess and examine the contents of the Purchases of the Large-Scale Purchasers and make a recommendation to the Board of Directors of the Company. A summary of the Special Committee Rules is shown in [Attachment 4].

In conducting assessments, examinations, and other tasks, the Special Committee may obtain advice from experts (financial advisers, attorneys in law, certified public accountants, etc.) who are third parties and independent at the expense of the Company to ensure that its judgment contributes to the enhancement of corporate value and the common interests of the shareholders.

When the Special Committee makes a decision, all the committee members should attend the meeting in principle, and a decision shall be made by a majority vote. The Board of Directors of the Company will make a final decision by giving the utmost respect to the committee's recommendation.

In order to enable fair and neutral judgments, the Special Committee shall consist of three or more members who are selected by the Board of Directors from among the Outside Directors (including Audit & Supervisory Committee Members) of the Company who have been notified to the Tokyo Stock Exchange as independent officers and who, in principle, have entered into an agreement with the Company that includes a duty of care clause for the Company. The names and career records of the members of the Special Committee are as described in [Attachment 5].

(b) The Special Committee's recommendation for implementing this Plan

The Special Committee will recommend to the Board of Directors of the Company that this Plan be implemented (the contents of specific countermeasures are as described in (6) below) in the event that the Large-Scale Purchases of the Large-Scale Purchasers fall under any of the following events (hereinafter referred to as "Trigger Events") and are regarded as deserving the implementation of this Plan.

- 1) In the event of Large-Scale Purchases that do not comply with the procedures provided for in this Plan.
- 2) In the event of Large-Scale Purchases that fall under any of the acts listed in (i) through (iv) below and that may clearly impair the enhancement of the Company's corporate value and ultimately, the common interests of the shareholders.
  - (i) Act of buying up shares merely to raise their price without the Large-Scale Purchasers' serious intention of being involved in corporate management, then demanding that the Company or its related parties buy these shares at a high price (a so-called "greenmailer").
  - (ii) Act of taking temporary control of the Company and engaging in management to realize the profits of the Large-Scale Purchasers to the detriment of the Company, such as acquiring important intellectual property rights, know-how, and confidential corporate information necessary for the operations of the Company and its group companies and assets of major business partners and customers at a low price.
  - (iii) Act of appropriating the assets of the Company and its group companies to secure the debts of the Large-Scale Purchasers or their group companies, or as a source of repayment for such debts.
  - (iv) Act of taking temporary control of the company management, disposing of the Company's and its group companies' real properties, securities, and other high-value assets without immediate relationship to the business of the Company and its group companies, and paying out a temporarily high dividend with profits from that disposal, or watching for an opportunity for a rapid increase in stock prices caused by the temporarily high dividend to sell off shares.
- 3) In the event of Large-Scale Purchases that in fact risk pressuring shareholders to sell shares, such as a coercive two-tiered tender offer (meaning the Purchase of shares such as in a public tender offer under which the shareholders are not solicited to sell all their shares at the first stage, and the second-stage Purchase terms are disadvantageously set compared to the initial Purchase terms or the second-stage Purchase terms are left ill-defined)
- 4) In the event of Large-Scale Purchase terms that are insufficient or inappropriate from the perspective of the Company's intrinsic value (including the value and kind of consideration, the timing of Purchases, the legality of purchasing methods, the likelihood of completion of the Purchases, and the policies for treating the Company's employees, business partners, customers, and other stakeholders after the Purchases are executed).
- 5) In the event of Large-Scale Purchases that risk destroying relationships with employees, customers, trading partners, creditors, and other stakeholders, who are indispensable to realizing the sustainable

growth of the Company's corporate value, and may impair the enhancement of the Company's corporate value and ultimately, the common interests of the shareholders.

However, whether or not it is before or after the record date of the right, the Special Committee may make a new and different judgment, including the suspension or withdrawal of the implementation of this Plan, and give that recommendation to the Board of Directors of the Company in the event of the Large-Scale Purchasers' withdrawal of the Large-Scale Purchases or the nonexistence of other Large-Scale Purchases after the above recommendation was made, or in the event that it is judged that the Large-Scale Purchases of the Large-Scale Purchasers do not fall under the Trigger Events, as there is a change in the relevant facts upon which the judgment on the above recommendation was premised.

Even when the implementation of this Plan is judged to be appropriate, if the Special Committee concludes that it is appropriate that the implementation obtain a resolution at a General Meeting of Shareholders, the Special Committee will recommend that the Board of Directors of the Company convene a General Meeting of Shareholders to take up an agenda item related to the implementation of this Plan.

(c) The Special Committee's recommendation for not implementing this Plan

The Special Committee will recommend that the Board of Directors of the Company not implement this Plan when it determines that the Large-Scale Purchasers are complying with the procedures provided for in this Plan, including the provision of information and ensuring the Assessment Period provided for in (2) and (3) above, and that it has reached the judgment that the Large-Scale Purchases of the Large-Scale Purchasers do not fall under any of the Trigger Events as a result of assessment and examination of information and materials provided by the Large-Scale Purchasers and discussions and negotiations between the Board of Directors of the Company and the Large-Scale Purchasers.

However, the Special Committee may make a separate determination, including on the implementation of this Plan, and make such recommendation to the Board of Directors of the Company in the event that it reaches the judgment that the Large-Scale Purchases of the Large-Scale Purchasers fall under any of the Trigger Events, as there is a change in the relevant facts, etc. underlying such determination.

#### **(5) Resolution by the Board of Directors**

The Board of Directors of the Company shall give the utmost respect to the Special Committee's recommendation in (4) above and make a final decision on whether or not to implement this Plan, or whether or not to suspend or withdraw the implementation. In the event of having made such a decision, the Board of Directors of the Company will disclose information on the outline of the said decision, that of the recommendation of the Special Committee, and other matters deemed appropriate by the Board of Directors of the Company promptly after the decision was made.

In the event that the Special Committee recommends the convocation of a General Meeting of Shareholders to confirm the intent of shareholders related to the implementation of this Plan ("General Meeting of Shareholders for Confirmation of Shareholders' Intentions"), the Board of Directors of the Company shall convene the meeting as soon as practically possible and take up the agenda item related to the implementation of this Plan. In such cases, the Board of Directors will disclose details such as the scope of shareholders who are entitled to exercise

their voting rights, the record date for exercising voting rights, and the date and time of the General Meeting of Shareholders for Confirmation of Shareholders' Intentions in accordance with applicable laws and regulations. A resolution of the General Meeting of Shareholders for Confirmation of Shareholders' Intentions shall be adopted by a majority of the voting rights of the shareholders present at the said General Meeting of Shareholders for Confirmation of Shareholders' Intentions who are entitled to exercise their voting rights. The General Meeting of Shareholders for Confirmation of Shareholders' Intentions may be held in conjunction with the Ordinary General Meeting of Shareholders or the Extraordinary General Meeting of Shareholders. If the Company's Board of Directors decides to hold a General Meeting of Shareholders for Confirmation of Shareholders' Intentions, the Assessment Period of the Board of Directors shall end at that time. In the event of resolving the implementation of this Plan at the General Meeting of Shareholders for Confirmation of Shareholders' Intentions, the Board of Directors of the Company shall follow the resolution and perform the procedures necessary for the implementation of this Plan. The Large-Scale Purchasers shall not conduct the Large-Scale Purchase in the period from the commencement of the procedure related to this Plan to the passing of a resolution of whether or not to implement this Plan at a meeting of the Board of Directors of the Company, or to the passing of a resolution of whether or not to implement this Plan at the General Meeting of Shareholders for Confirmation of Shareholders' Intentions in the case of the said General Meeting of Shareholders for Confirmation of Shareholders' Intentions being convened.

In the event that a decision is made to suspend or withdraw the implementation of this Plan after the decision to implement it was made, the value of the stock per share will not be diluted. Therefore, investors who trade the Company's shares on the premise that dilution of the value of the stock per share will occur, risk suffering a considerable loss due to fluctuations in the share prices.

#### **(6) Contents of the specific measure**

The specific measure that the Board of Directors of the Company will take to counter inappropriate Large-Scale Purchases is an issuance of Stock Acquisition Rights through a gratis allotment as described in [Attachment 6], Procedures for Gratis Allotment of Stock Acquisition Rights (hereinafter referred to as the "Stock Acquisition Rights").

The outline of the Stock Acquisition Rights is as follows:

(a) Shareholders eligible for allotment

Shareholders who are recorded in the final shareholder registry on the record date prescribed by the Board of Directors (hereinafter referred to as the "Allotment Date") when passing a resolution related to the Stock Acquisition Rights (hereinafter referred to as the "Resolution to Issue the Stock Acquisition Rights") shall be allotted Stock Acquisition Rights at a ratio of a minimum of one (1) right for every one (1) share held (however, excluding common shares of the Company held by the Company itself).

(b) Class and number of shares that are the object of the Stock Acquisition Rights

The class of shares that is the object of the Stock Acquisition Rights shall be common shares of the Company. The number of shares that is the object of one (1) Stock Acquisition Right shall be one (1) unless otherwise adjusted.

(c) The total number of Stock Acquisition Rights

The upper limit shall be calculated by multiplying the final total number of shares issued as of the Allotment Date by two (2) (however, excluding the number of shares of the Company that the Company itself holds at the same point in time.)

(d) Amount to be paid upon exercise of the Stock Acquisition Rights

The amount to be paid for one (1) share to be delivered upon exercise of the Stock Acquisition Rights shall be one (1) yen.

(e) Exercise Period of the Stock Acquisition Rights

The Exercise Period shall commence on the date falling three (3) weeks after the effective date of the gratis allotment of the Stock Acquisition Rights and expire on the date falling six (6) months thereafter. However, if the final day of the Exercise Period falls on a holiday of the payment handling institution, the final day will be extended to the next business day.

(f) Exercise terms of the Stock Acquisition Rights

Only those who do not fall under the category of Non-Qualified Persons as defined in [Attachment 6] Procedures for Gratis Allotment of Stock Acquisition Rights (e) may exercise these Stock Acquisition Rights. In addition, non-residents who are required to go through specified procedures under applicable laws and regulations in Japan or overseas in connection with the exercise of the Stock Acquisition Rights may not, in principle, exercise the Stock Acquisition Rights.

(g) Acquisition of the Stock Acquisition Rights

- 1) The Company may acquire all the Stock Acquisition Rights without consideration on a date specified by the Board of Directors of the Company falling between the effective date of the gratis allotment of the Stock Acquisition Rights and the date on which the Exercise Period of the Stock Acquisition Rights expires if the Board of Directors of the Company determines that it is appropriate for the Company to acquire the Stock Acquisition Rights.
- 2) On a date separately specified by the Board of Directors of the Company, the Company may acquire all the Stock Acquisition Rights held by persons other than the Non-Qualified Persons that have not been exercised until the business day immediately before the said date. In exchange, the Company may deliver one (1) common share of the Company corresponding to the applicable number of shares for every one (1) Stock Acquisition Right. In the event a third party who is not a Non-Qualified person has come to own the Stock Acquisition Rights held by the Non-Qualified Persons through transfers, etc., after the Company has conducted such acquisition, the Company may acquire such Stock Acquisition Rights multiple times. Details of the conditions for acquisition of the Stock Acquisition Rights shall be separately determined in the resolution for the issuance of the Stock Acquisition Rights through the Gratis Allotment of Stock Acquisition Rights.

(h) Transfer of the Stock Acquisition Rights

Transfer of the Stock Acquisition Rights is subject to approval by the Board of Directors of the Company.

**(7) Effective period, continuation, abolition, and revision of this Plan**

The period of delegation of the right to decide matters related to the gratis allotment of the Stock Acquisition Rights regarding this Plan, to be given at a resolution in this Ordinary General Meeting of Shareholders (hereinafter referred to as the "Effective Period") shall be up to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending in March 2029.

The Company will seek approval to continue this Plan from the shareholders at the Ordinary General Meeting of Shareholders for the fiscal year ending in March 2029. If approval is given, this Plan will remain effective up to the conclusion of the Ordinary General Meeting of Shareholders related to the last of the fiscal years ending within three years from the conclusion of such Ordinary General Meeting of Shareholders. Similarly, the Company shall confirm the intention of the shareholders to continue this Plan every three years thereafter.

However, even before the expiration of the Effective Period of this Plan and in the event that a resolution is passed to withdraw the above delegation to the Board of Directors regarding decisions on matters related to the gratis allotment of the Stock Acquisition Rights at a General Meeting of Shareholders of the Company, or that a resolution is passed to abolish this Plan at a meeting of the Board of Directors of the Company, which consists of Directors elected at a General Meeting of Shareholders, this Plan shall be abolished at that point. Therefore, it is possible to abolish this Plan by the intention of the shareholders.

In addition, from the perspective of enhancement of corporate value and ultimately, ensuring and improving the common interests of the shareholders, based on the examination of the Board of Directors of the Company of amendments to or development of the Financial Instruments and Exchange Act and other related laws and regulations, the Company may revise or alter this Plan as necessary.

In the event that this Plan is abolished or altered, the Company will disclose the facts of the said abolition or alteration promptly, as well as the contents of changes in the case of alteration and other items deemed appropriate by the Board of Directors of the Company.

#### **IV. Judgment of the Board of Directors of the Company on the above Efforts and the Reasons for the Judgment**

##### **1. Special efforts that contribute to realizing the Basic Policies (Efforts in II above)**

The efforts described in II above have been formulated as concrete measures for enhancing the Company's corporate value and ultimately, improving the common interests of the shareholders in a continuous manner, contributing to realizing the Basic Policies.

Therefore, these efforts comply with the Basic Policies and agree with the common interests of the shareholders but are not intended to protect the positions of the Company's officers.

##### **2. Efforts to prevent an inappropriate person from controlling the decisions on the financial and business policies of the Company in light of the Basic Policies (Efforts in III above)**

###### **(1) This Plan complies with the Basic Policies**

This Plan is a framework for enhancing the Company's corporate value and ultimately, ensuring the common interests of the shareholders in the event that a Large-Scale Purchase of shares of the Company is conducted, under which the Board of Directors of the Company will have the Large-Scale Purchasers provide information on the said Large-Scale Purchase in advance, and thereby, the shareholders can decide whether or not to accept the Large-Scale Purchase, or the Board of Directors of the Company can either secure the time necessary to make alternative proposals or negotiate with the Large-Scale Purchasers on behalf of the shareholders. Accordingly, this Plan complies with the Basic Policies.

**(2) Efforts will not damage the common interests of the shareholders and are not intended to protect the positions of the Company's officers**

For the following reasons, the Company believes that, in light of the Basic Policies, the efforts to prevent control by an inappropriate person will not damage the common interests of the shareholders and are not intended to protect the positions of the Company's officers.

(a) The efforts completely fulfill the requirements of the guidelines related to takeover defense measures.

This Plan completely fulfills the three principles (the principle of ensuring or enhancing corporate value and the common interests of the shareholders, the principle of prior disclosure and consent of the shareholders, and the principle of necessity and reasonableness) provided for in the "Guidelines Regarding Takeover Defenses for the Purpose of the Protection and Enhancement of Corporate Value and Shareholders' Common Interests," jointly announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. In addition, this Plan is based on the "Takeover Defense Measures in Light of Recent Environmental Changes" released on June 30, 2008 by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry, the three principles (the principle of corporate value and shareholders' common interests, the principle of shareholders' intent, and the principle of transparency) set forth in the "Guidelines for Corporate Takeovers" published by the Ministry of Economy, Trade and Industry on August 31, 2023, and the "Principle 1.5 Anti-Takeover Measures" of Japan's Corporate Governance Code introduced on June 1, 2015 and amended on June 1, 2018 and June 11, 2021 due to the securities listing regulations amended by the Tokyo Stock Exchange, Inc., as well as day-to-day practices and arguments regarding takeover defense measures.

(b) The efforts place importance on the intention of the shareholders (resolutions at General Meetings of Shareholders and a sunset clause).

As described in 1 in III above, this Plan will remain effective on the condition that the shareholders give approval at this Ordinary General Meeting of Shareholders.

In addition, as described in 2 (5) in III above, Resolution by the Board of Directors, in the event that the Special Committee issues a recommendation to convene a General Meeting of Shareholders with respect to the implementation of this Plan, the Board of Directors of the Company will be required to convene a General Meeting of Shareholders to take up an agenda item about the implementation of this Plan and pass a resolution thereon at the General Meeting of Shareholders.

Furthermore, as described above in 2 (7) in III, Effective period, continuation, abolition and revision of this Plan, this Plan includes the so-called sunset clause that limits the effective period to about three years. In addition, before the expiration of the effective period, in the event that a resolution is passed to withdraw the above resolution to delegate, or a resolution is passed in a meeting of the Board of Directors, elected at General Meetings of Shareholders, to abolish this Plan, this Plan will be abolished at that point. In this sense, continuation or abolition of this Plan is based on the intention of the shareholders of the Company.

(c) Setting reasonable and objective Trigger Events

As described in 2 (4)(b) in III above, this Plan is designed not to be implemented unless predetermined reasonable and objective requirements are fulfilled and incorporates a mechanism for preventing arbitrary implementation by the Board of Directors of the Company. Moreover, such Trigger Events have been set based on an elaborate analysis of the way appropriate and reasonable takeover defense measures should be in reference to materials including analysis of court cases in Japan and the above "Guidelines."

(d) Setting of the Special Committee

The Company has set up a Special Committee separately for the purpose of ensuring the objectivity and reasonableness of judgments by the Board of Directors of the Company regarding negotiations and discussions with Large-Scale Purchasers, extension of the Assessment Period, the applicability of Trigger Events, etc.

The Special Committee, in consideration of the purpose for setting it, consists of only persons who are independent from the Board of Directors and fulfill the requirements described in 2 (4) (a) in III. The Special Committee may seek advice from independent third-party experts (financial advisors, attorneys in law, certified public accountants, etc.) at the expense of the Company.

The Special Committee will follow the procedure provided for in “Special Committee Rules” to assess and examine the applicability, etc., of Trigger Events, and make a recommendation to the Board of Directors of the Company. The Board of Directors of the Company will make a final decision on whether to implement this Plan, or whether to suspend or withdraw the implementation while giving the utmost respect to the Special Committee’s recommendation.

(e) This Plan is not a dead-hand or slow-hand takeover defense measure.

This Plan may be abolished by the Board of Directors, which consists of directors elected at General Meetings of Shareholders of the Company. A person who acquired a large amount of share certificates of the Company may appoint directors at a General Meeting of Shareholders, and the Board of Directors, which consists of such directors, may abolish this Plan.

Therefore, this Plan is not a dead-hand takeover defense measure (in which even if a majority of the Board of Directors are replaced, the implementation of this Plan cannot be stopped). In addition, as the term of office for the directors of the Company is one (1) year, this Plan is not a slow-hand takeover defense measure (in which it takes more time to stop the implementation because the directors cannot be replaced all at once).

## **V. Impact on Shareholders and Investors**

### **1. Impact on shareholders and investors at the time of renewing this Plan**

The Stock Acquisition Rights will not be issued at the time of renewing this Plan. Therefore, it will not have any direct and concrete impact on the rights and economic interests of the shareholders and investors.

### **2. Impact on shareholders and investors at the time of issuing the Stock Acquisition Rights**

If a Board of Directors Meeting or a General Meeting of Shareholders of the Company decides to implement this Plan and pass a resolution to issue the Stock Acquisition Rights through a gratis allotment of the Stock Acquisition Rights, the Company will allocate the Stock Acquisition Rights to shareholders who are recorded in the final registry of shareholders on the Allotment Date, specified by the said resolution, at a ratio of a minimum of one (1) Stock Acquisition Right for every one (1) share held.

### **3. Procedure required for shareholders upon issuance of the Stock Acquisition Rights**

(1) If the Board of Directors or a General Meeting of Shareholders of the Company decides to invoke this Plan and passes a resolution to issue the Stock Acquisition Rights through a gratis allotment of the Stock Acquisition Rights, the Board of Directors of the Company will decide and publicly announce the Allotment Date.

#### **(2) Procedure for exercising the Stock Acquisition Rights**

The Company will deliver an application form to be submitted by shareholders upon the exercise of the Stock Acquisition Rights (in a form prescribed by the Company, including a pledge letter that states that the shareholders themselves are not Non-Qualified Persons) and other necessary documents to shareholders who are recorded in the final register of shareholders on the Allotment Date. The shareholders of the Company who submit these necessary documents and pay one (1) yen per Stock Acquisition Right held to the payment handling institution during the Exercise Period, separately decided by the Board of Directors of the Company, will be issued shares of the Company at a rate of one (1) common share for every one (1) Stock Acquisition Right.

**(3) Procedure for acquisition of the Stock Acquisition Rights**

If the Company determines terms that allow the Company to acquire the Stock Acquisition Rights in exchange for shares of the Company, the Company may acquire the Stock Acquisition Rights on the date that the Board of Directors of the Company determined separately.

In this case, if the Company acquires the Stock Acquisition Rights from shareholders other than Non-Qualified Persons and delivers common shares of the Company in exchange for them, the Company will not pay an amount equivalent to the exercise price. Accordingly, the shareholders holding the Stock Acquisition Rights will receive common shares of the Company at a ratio of one (1) share of the Company for every one (1) Stock Acquisition Right as consideration. Therefore, in this case, documents related to the exercise of the Stock Acquisition Rights will not be delivered, but the said shareholders may be separately requested to submit written forms, prescribed by the Company, regarding matters such as the fact that they are not Non-Qualified Persons.

【Attachment 1】

Status of Major Shareholders (As of March 31,2026)

Shareholder Name	Shareholding in the Company	
	Number of Shares Held	Equity Ownership Ratio
	Shares	%
Johto Investment and Development Inc.	4,661,713	17.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,836,000	10.46
Yojiro Kamihigashi	1,466,283	5.41
Yoshiko Kamihigashi	638,600	2.35
Resona Bank, Limited.	563,343	2.08
Japan Cash Machine Employee Stock Ownership Association	533,930	1.97
Sumitomo Mitsui Banking Corporation	503,724	1.86
Custody Bank of Japan, Ltd. (Trust Account)	465,400	1.72
Totor Engineering Co., Ltd.	432,474	1.59
Nippon Life Insurance Company	403,226	1.49

(Note) The equity ownership ratios are rounded to the second decimal place. In addition, the ratios are calculated excluding treasury shares (2,547,614 shares).

【For Reference】 (As of March 31,2026)

1. Total Number of Shares Authorized to Be Issued: 118,000,000 shares
2. Total Number of Shares Issued: 29,672,651 shares
3. Number of Shareholders: 25,304 shareholders

【Attachment 2】

**Criteria for Determining Joint or Concerted Actions**

\* Determination shall be made through a comprehensive assessment of the subject entity (including its parent company, subsidiaries, and any other entities treated as equivalent to the subject entity; hereinafter referred to as the “subject entity”), taking into account the following factors as well as the presence of any direct or indirect facts indicating that there is “no” communication of intent with specific shareholders of the Company.

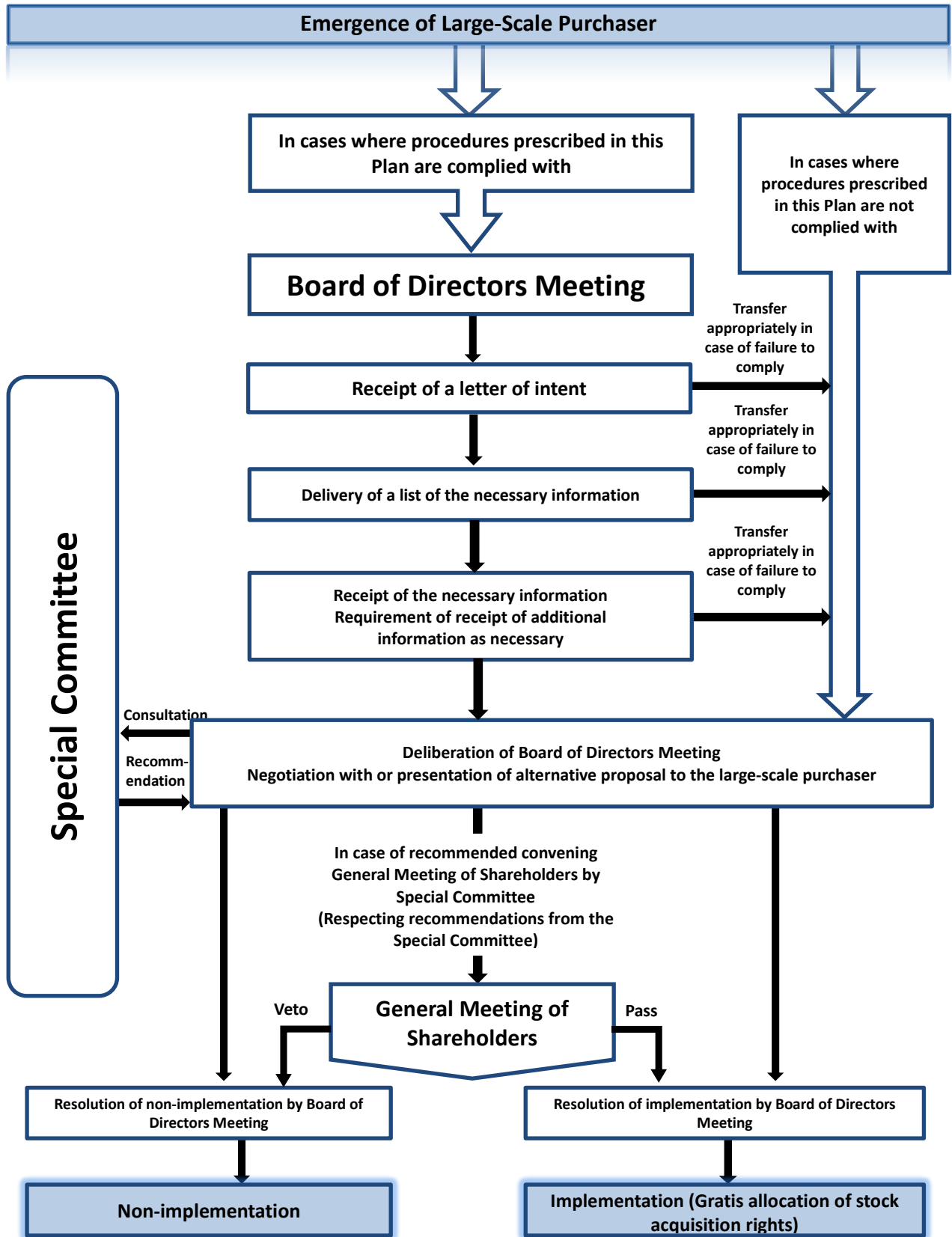
\* The term “a specific shareholder of the Company” as used below shall include the parent company and subsidiaries of that specific shareholder (referred to as the “Specific Shareholder Group,” including that specific shareholder), as well as the officers and major shareholders of the Specific Shareholder Group.

1. Does the period during which they acquired shares, etc. of the Company overlap with the period during which a specific shareholder of the Company is taking actions toward acquiring shares, etc. of the Company, or making a significant proposal, etc., as part of a takeover bid?
2. Has the number of shares, etc. of the Company acquired reached a significant level?
3. Is the timing of the start of acquisition of shares of the Company, etc. close to the timing when the specific shareholder began taking actions toward acquiring the Company, such as starting the acquisition of shares of the Company, etc., or expressing intent to acquire management control of the Company or make a significant proposal, or is it close to events related to the specific shareholder’s actions, such as the record date for a General Meeting of Shareholders that includes an agenda item related to this Plan?
4. During periods when trading in the shares of the Company and other securities in the market is abnormal (examples such as when trading volume is significantly higher than average, or when the share price soars sharply compared to the average price during the preceding period), are there any common factors—such as acquiring those securities at the same time as the specific shareholder—between the timing and manner of such acquisitions of shares of the Company and other securities (for example, whether they are making use of margin buying) by the specific shareholders?
5. Has the subject entity acquired shares or other securities of another listed company in which the specific shareholder has acquired (or has acquired) shares or other securities, and do the timing of such acquisition or the holding period overlap with those of the specific shareholder?
6. During the overlapping period of provision 5 above, were the exercises of shareholder rights (common interest rights) with respect to that other listed company (the other listed company where both that specific shareholder and the subject entity were shareholders) aligned with those of that specific shareholder? If it is determined that they were aligned, to what extent did they align, taking into account the type and details of shareholder rights, and the results of their exercise?
7. In the event that, at that other listed company listed in provision 5 above, directors or other officers are appointed or dismissed as a result of the exercise of voting rights or other common interest rights by the subject entity and that specific shareholder (and, if there are shareholders other than the subject entity who exercised their voting rights or other common interest rights aligned with that specific shareholder, such shareholders too), is there a risk of damage to corporate value or shareholder value at the other listed company (for example, the occurrence of events constituting a material violation of laws and regulations or the occurrence of events that may lead to such violations, delisting, designation as a stock subject to special disclosure warnings, bankruptcy or other legal insolvency proceedings, or the issuance of shares or stock

acquisition rights involving significant dilution) during the term of office of the officers following such changes? To what extent is there a risk of damage to corporate value or shareholder value in the event that such damage were to occur?

8. Is there currently a direct or indirect capital relationship or a loan relationship, etc., or have such relationships ever existed with that specific shareholder?
9. Is there currently, or has there ever been, any personal relationship with that specific shareholder, directly or indirectly, including a relationship of concurrent directorship, a familial relationship (including de facto relationships and similar arrangements; the same applies hereinafter), a business relationship, or a personal connection within an alma mater or other community; or is one party currently, or has one party ever been, an employee, union member, or other member of the other party?
10. Did the exercise of shareholder rights (common interest rights) with respect to the Company align with that of that specific shareholder? Even if it is deemed to align, to what extent did such occur in light of the type and details of the shareholder rights exercised, as well as the results of such exercise? (Furthermore, this provision 10 shall not be used as the sole basis for determining that “there is a relationship in which one of the relevant shareholders substantially controls the other, or the parties act jointly or in concert,” or that “there is a person who substantially controls them or acts jointly or in concert with them.”)
11. Are statements or actions concerning the business or management policies of the Company similar to those of that specific shareholder? If there are similar statements or actions, to what extent are they similar, taking into account the timing and details of such statements or actions? (Furthermore, this provision 11 shall not be used as the sole basis for determining that “there is a relationship in which one of the relevant shareholders substantially controls the other, or the parties act jointly or in concert,” or that “there is a person who substantially controls them or acts jointly or in concert with them.”)
12. Does such an agent or advisor have a relationship with that specific shareholder that facilitates communication of intent, such as belonging to or having belonged to the same office, corporation, or organization as that specific shareholder; having a business partnership with that specific shareholder; having jointly handled similar matters with that specific shareholder; and/or having a familial or other personal relationship with that specific shareholder (whether directly or indirectly)?
13. Are there any other direct or indirect facts that indicate communication of intent with that specific shareholder?

Procedure flow set forth with this Plan



※This flowchart was created for the purpose of providing an easy-to-understand overview of this Plan by simplifying the contents of the Plan. Please refer to the main text of the press release for the detailed terms of this Plan.

【Attachment 4】

**Outline of the Special Committee Rules**

1 Establishment

The Special Committee shall be established by a resolution of the Board of Directors of the Company.

2 Members

The Special Committee shall consist of three or more of the Company's Outside Directors (including Audit & Supervisory Committee Members) who have been delegated by the Board of Directors of the Company and who have been notified to the Tokyo Stock Exchange as independent officers of the Company.

3 The Person Authorized to Call the Committee

A Special Committee shall be convened by each member of the Special Committee.

4 Requirements for Resolution

A Special Committee shall be constituted by the presence of all members of the Special Committee and resolutions shall be adopted by a majority of those present. However, if a member of the Special Committee is absent for unavoidable reasons, the resolution shall be passed by a majority of the members of the Special Committee present and approved by a majority of those present.

5 Powers and Duties

- (1) The Special Committee shall evaluate and examine the details of the Large-Scale Purchase based on the information provided, and if necessary, make efforts so that the Large-Scale Purchase may be improved for the enhancement of the Company's corporate value and ultimately the common interests of the shareholders by recommending an extension of the Assessment Period or negotiating with the prospective Large-Scale Purchaser through the Representative Director of the Company, etc. and finally determine whether or not there are Trigger Events for implementing this Plan and make a recommendation to the Board of Directors of the Company as to whether or not to implement this Plan.
- (2) The Special Committee may request the Board of Directors of the Company to submit information necessary for resolutions and recommendations.
- (3) The Special Committee will recommend the implementation of this Plan to the Board of Directors of the Company if the Large-Scale Purchase falls under any of the Trigger Events and the implementation of this Plan is deemed appropriate. However, even when the implementation of this Plan is judged to be appropriate, if the Special Committee concludes that it is appropriate that a resolution be obtained at a General Meeting of Shareholders, the Special Committee will recommend that the Board of Directors of the Company convene a General Meeting of Shareholders to take up an agenda item related to the implementation of this Plan thereto.

6 Consultation

The Special Committee may, at the expense of the Company, obtain the advice of independent third-party experts (including financial advisers, certified public accountants, lawyers, and other professionals).

## 7 The Board of Directors' Duty to Respect

The Board of Directors of the Company shall make the final decision with the utmost respect for the recommendations of the Special Committee. However, if the implementation of the Plan is submitted to the General Meeting of Shareholders, the Board of Directors will follow the resolution passed at the General Meeting of Shareholders.

**Names and brief histories of Special Committee members**

**1. Koji Yoshikawa**

(Date of Birth: February 8, 1950)

Apr. 1978 Appointed Public Prosecutor, Osaka District Public Prosecutors Office

Apr. 2000 Deputy Manager, Special Investigation Department, Osaka District Public Prosecutors Office

Apr. 2004 Prosecutor, Supreme Public Prosecutors Office

July 2005 Deputy Chief Public Prosecutor, Osaka District Public Prosecutors Office

Jan. 2009 Chief Public Prosecutor, Kobe District Public Prosecutors Office

Jan. 2010 Resigned from Prosecutor

Mar. 2010 Registered as Attorney

June 2014 Outside Director of the Company (current position)

[Important Concurrent Position]

Attorney (Baba Law Firm)

\* Mr. Koji Yoshikawa is an Outside Director as defined in Article 2, Item 15 of the Companies Act and will be reappointed as an Outside Director of the Company subject to his election at this Ordinary General Meeting of Shareholders. The Company has registered him as an independent officer as stipulated by the Tokyo Stock Exchange.

**2. Tatsuhiko Saruwatari**

(Date of Birth: March 1, 1953)

Apr. 1976 Joined Toto Kiki Ltd. (current TOTO Ltd.)

June 2001 Director, Executive Officer, Director of Equipment Business Group of the Same Company

June 2002 Director, Managing Executive Officer, Director of Equipment Business Group, General Manager of Central Technology Center of the Same Company

June 2006 Director, Senior Managing Executive Officer, In Charge of Research & Technology Group, Corporate Planning Department of the Same Company

May 2013 Outside Audit & Supervisory Board Member of Izutsuya Co., Ltd.

June 2013 Representative Director, Executive Vice President of TOTO Ltd.

June 2016 Outside Audit & Supervisory Board Member of NORITAKE CO., LIMITED

June 2020 Outside Director of the Company (current position)

June 2023 Outside Director of NORITAKE CO., LIMITED (Audit & Supervisory Committee Member)

\* Mr. Tatsuhiko Saruwatari is an Outside Director as defined in Article 2, Item 15 of the Companies Act and will be reappointed as an Outside Director of the Company subject to his election at this Ordinary General Meeting of Shareholders. The Company has registered him as an independent officer as stipulated by the Tokyo Stock Exchange.

3. **Yoko Sato**

(Date of Birth: July 23, 1960)

Sep. 1986 Joined Showa Ota & Co. (current Ernst & Young ShinNihon LLC)

Mar. 1990 Registered as Certified Public Accountant

May 2011 Appointed Senior Partner of Ernst & Young ShinNihon LLC

June 2019 Resigned from Ernst & Young ShinNihon LLC

Sep. 2019 Representative of Yoko Sato Certified Public Accountant Office (current position)

June 2020 Outside Audit & Supervisory Board Member of the Company

June 2024 Outside Director of the Company (Audit & Supervisory Committee Member) (current position)

[Important Concurrent Position]

Certified Public Accountant (Representative of Yoko Sato Certified Public Accountant Office)

Outside Director of TOCALO Co., Ltd.

Outside Director of Sanyo Electric Railway Co., Ltd.

\* Ms. Yoko Sato is an Outside Director (Audit & Supervisory Committee Member) as defined in Article 2, Item 15 of the Companies Act and will be reappointed as an Outside Director of the Company subject to her election at this Ordinary General Meeting of Shareholders. The Company has registered her as an independent officer as stipulated by the Tokyo Stock Exchange.

**Procedures for Gratis Allotment of the Stock Acquisition Rights**

**(a) Content of the Stock Acquisition Right**

- (1) Type and the number of shares to be acquired under the Stock Acquisition Right
  - 1) Type of shares to be acquired under the Stock Acquisition Right shall be common shares of the Company.
  - 2) The number of shares of the Company to be delivered (this collectively refers to issuance of new shares of the Company and transfer of shares of the Company held by the Company corresponding to such new shares. This shall hereinafter apply.) in exchange for acquisition of the Stock Acquisition Right and the number of shares of the Company to be newly delivered by the exercise of the Stock Acquisition Right shall be as provided in (b) below.

However, if the number of subject shares (defined in 3) below) is adjusted in 3) below, the number shall be adjusted to that calculated by multiplying the number of subject shares after adjustment by the total number of the Stock Acquisition Rights.
  - 3) The number of common shares of the Company to be delivered in exchange for acquisition or by the exercise of each Stock Acquisition Right (hereinafter referred to as the “Number of Subject Shares”) shall be one share. However, if the Company makes a stock split or reverse stock split, the Number of Subject Shares shall be adjusted by the following calculation formula:  
Number of Subject Shares after adjustment = Number of Subject Shares before adjustment × rate of stock split/ reverse stock split  
In this connection, such adjustment shall be made only for the Stock Acquisition Right not acquired or exercised at that time, and any fractions less than one share, which may occur as a result of adjustment, shall be rounded down, with no adjustment in cash being made. In addition, for such treatment of fractions, in adjusting the Number of Subject Shares given any subsequent event of adjustment of the Number of Subject Shares, such fractions shall be properly reflected in the Number of Subject Shares before adjustment, and the Number of Subject Shares after adjustment shall then be calculated.
- (2) Value of assets to be contributed in exercising the Stock Acquisition Right
  - 1) The amount to be paid in exercising each Stock Acquisition Right shall be the value calculated by multiplying the exercise price (defined in 2) below) by the Number of Subject Shares.
  - 2) The amount of one share of common stock of the Company to be paid in exercising the Stock Acquisition Right (hereinafter referred to as the “Exercise Price”) shall be one (1) yen.
- (3) Bank receiving the amount to be paid in exercising the Stock Acquisition Right and place of receipt of payment  
The above bank and place shall be designated by the Board of Directors of the Company at the time of resolution of issuance of the Stock Acquisition Right.
- (4) Exercise period for the Stock Acquisition Right  
Exercise period shall be a period from the day three weeks after the effective date of gratis allotment of the Stock Acquisition Right in (d) below to the day six months after this effective date. However, if the final day of the Exercise Period is a holiday for the institutions that handle the payment, the final day will be extended to the next business day.
- (5) Matter concerning capital and capital reserve to be increased when shares are issued following the exercise of the Stock Acquisition Right  
When issuing common shares of the Company following the exercise of the Stock Acquisition Right, the entire amount of offer price of shares shall be capitalized, and the amount not to be included in capital shall be zero (0) yen.
- (6) Restrictions on transfer of the Stock Acquisition Right  
Transfer of the Stock Acquisition Right requires approval of the Board of Directors of the Company.
- (7) Acquisition of the Stock Acquisition Right
  - i. If the Board of Directors of the Company considers it appropriate for the Company to acquire the Stock Acquisition Rights, the Company may acquire all Stock Acquisition Rights free of charge at a date specified by the Board of Directors during the period from the effective date of gratis allotment of the Stock Acquisition Rights to the maturity of the exercise period for the Stock Acquisition Rights.

- ii. The Company may acquire at a date separately specified by the Board of Directors of the Company all Stock Acquisition Rights not exercised until the business day prior to the said date specified by the Board of Directors of the Company of the Stock Acquisition Rights held by those other than the “Non-Qualified Persons” defined in (e)-(1) below, and deliver in exchange for this one common share of the Company from the Number of Subject Shares in relation to one Stock Acquisition Right. If any third party other than the Non-Qualified Persons acquires the Stock Acquisition Rights held by any Non-Qualified Persons by transfer, etc. after the Company’s acquisition, the Company may implement more than one such acquisition of the Stock Acquisition Rights.
- (8) Succession of obligations involving the Stock Acquisition Right in the case of merger, company split, stock swap and stock transfer
- In the case of a merger/ company split/ stock swap/ stock transfer, if a merger in which the Company becomes a dissolving company, split-up by merger or new establishment in which the Company becomes a company split, or stock swap or stock transfer in which the Company becomes a wholly-owned subsidiary is conducted, obligations involving the Stock Acquisition Right not acquired, exercised, or retired at the time may be transferred under the decision policy below to the surviving company after merger (hereinafter referred to as the “Surviving Company in Merger”) or company to be established through the merger (hereinafter referred to as the “New Company in Merger”) in the case of a merger, a company taking over all or part of obligations held by the Company split in the split-up by merger in connection with that company’s business (hereinafter referred to as the “Succeeding Company in Split-up by Merger”), a new company established in new establishment in split-up by new establishment (“New Company in Split-up by Establishment”), or a company which becomes the wholly owning parent company through stock swap or stock transfer (wholly owning parent company in Stock Swap, wholly owning parent company in Stock Transfer and those six companies are referred to collectively as the “Surviving Company, etc.”) in a stock swap or stock transfer. However, this shall only apply when a proposal on the merger contract, contract on split-up by acquisition, plan for split-up by new establishment, stock swap contract, or stock transfer plan in which the effect that succession of obligations involving the Stock Acquisition Right is subject to the following decision policy for each case is entered is approved by the General Meeting of Shareholders of the Company:
- 1) Type of shares to be acquired under the Stock Acquisition Right succeeded  
Common stock of the Surviving Company, etc.
  - 2) Number of shares to be acquired under the Stock Acquisition Right succeeded  
The amount shall be reasonably adjusted corresponding to the ratio, etc. of merger, company split-up, stock swap, or stock transfer. Fractions less than one share after adjustment shall be rounded down.
  - 3) The amount to be paid in exercising each Stock Acquisition Right succeeded  
The amount shall be reasonably adjusted corresponding to the ratio, etc. of merger, company split-up, stock swap, or stock transfer. Fractions less than one (1) yen after adjustment shall be rounded down.
  - 4) Exercise period for the Stock Acquisition Right succeeded, other acquisition or exercise of the right conditions, lapse of the resolution on issuance, etc.  
Those matters shall be determined by the Board of Directors of the Company at the time of merger, company split-up, stock swap, or stock transfer in accordance with this Guideline.
  - 5) Approval of transfer by the Board of Directors  
Transfer of the Stock Acquisition Right requires approval of the Board of Directors of the Surviving Company, etc.
- (9) Restrictions on issuance of certificates the stock acquisition right  
No certificates of the Stock Acquisition Right shall be issued.

**(b) Total number of Stock Acquisition Rights**

Total number shall be up to the number calculated by multiplying the last outstanding shares as of the record date (defined in (d) below) for gratis allotment of the Stock Acquisition Right (excluding the number of common shares held by the Company at that time) by two (2).

**(c) Method of gratis allotment of the Stock Acquisition Right and recipients of such allocation**

For shareholders recorded in the final list of shareholders (including those who cannot exercise Stock Acquisition Rights in accordance with the provision of (e) below, and excluding the Company as owner of treasury stock) as of the record date for gratis allotment of the Stock Acquisition Right (defined in (d) below), the Stock Acquisition Right shall be allocated by one or more in relation to one share of common stock of the Company held by them.

(d) Record date for gratis allotment of the Stock Acquisition Right and the effective date

(1) Record date

Record date shall be the day separately specified by the Board of Directors of the Company, which comes after the day the Board of Directors of the Company determines implementation of the Plan.

(2) Effective date

Effective date shall be the day separately specified by the Board of Directors of the Company, which comes after the record date.

(e) Conditions for the exercise of the Stock Acquisition Right

(1) Only those who do not fall under any of the categories: 1 "Large-Scale Purchaser," 2 "Joint Holders," 3 "Specially Related Parties," or 4 "Persons reasonably identified by the Board of Directors as falling under 1) or 2) below, excluding persons to whom the Board of Directors has prior consent" (Persons falling under categories 1 through 4 above are collectively referred to as "Non-Qualified Persons") may exercise the Stock Acquisition Rights.

1) Any person who has received or taken over the Stock Acquisition Rights from a person belonging to the category of Non-Qualified Persons without the Company's approval

2) A "related party" of a person belonging to the category of Non-Qualified Persons. "Related party" refers to investment banks, securities firms, and other financial institutions that have entered into financial advisory contracts with these persons, those who share substantial interests with these persons, public tender offer agents, lawyers, accountants, and other advisors, as well as one who substantially controls the person, is controlled by the person, or is under common control with the person, or one who acts in cooperation with the person. In determining "related parties" for partnerships and other funds, the substantial identity of the fund manager and other various circumstances are taken into account.

(2) If it is required by the applicable law of a foreign country that a party located in the jurisdiction under that law 1) perform designated procedures, 2) meet designated conditions (including prohibition of exercise for a specific period and submission of designated documents), or 3) meet both conditions to exercise the Stock Acquisition Rights (hereinafter collectively referred to as the "Exercise Procedures/Conditions under Applicable Law"), the party located in that jurisdiction may exercise the Stock Acquisition Rights only if all the Exercise Procedures/Conditions under Applicable Law are performed or met. However, regarding the Exercise Procedures/ Conditions under Applicable Law necessary to be performed or met by the Company in order that the party located in the jurisdiction can exercise the Stock Acquisition Right, the Company shall not be liable to perform or meet such Conditions. In addition, if it is not approved under the said law that the party existing in the jurisdiction exercises the Stock Acquisition Rights, the party existing in the jurisdiction cannot exercise the Stock Acquisition Rights.

(3) The provision of (2) above notwithstanding, only if a party located in the U.S. promises the Company to exercise the Stock Acquisition Rights 1) by representing and guaranteeing that the party is an accredited investor defined in 501 (a) of the U.S. Securities Act of 1933, and 2) by reselling common shares of the Company acquired as a result of the exercise of the Stock Acquisition Rights only in a regular transaction at the Tokyo Stock Exchange (however, such resale shall not be under prior arrangement, and prior solicitation shall not be conducted), the party may exercise the Stock Acquisition Rights. Only in this case shall the Company perform or meet the regulation D of U.S. Securities Act of 1933 and Exercise Procedures/Conditions under Applicable Law involving U.S. state law in order for the party located in the U.S. to exercise the Stock Acquisition Rights. If the Board of Directors of the Company recognizes that, due to changes in U.S. laws or regulations, etc., even if the party located in the U.S. satisfies the conditions in 1) and 2) above, it cannot lawfully exercise the Stock Acquisition Rights under the U.S. Securities Act, the party may not exercise the Stock Acquisition Rights.

(4) Even in a case where a party holding the Stock Acquisition Rights cannot exercise the Stock Acquisition Rights in accordance with the provisions of (1) through (3) above, the Company shall not have any liabilities to that party, including liability for damages.

(f) Method of exercise of Stock Acquisition Right

(1) Method of exercise of Stock Acquisition Right and place of claim for exercise

To exercise the Stock Acquisition Right, it is required to enter necessary matters, including the number of Stock Acquisition Rights to be exercised, the number of subject shares, and address, in the claim form for exercise of Stock Acquisition Right designated by the Company (including representation/ guarantee

clause and compensation clause stipulating that the party eligible for the Stock Acquisition Right shall not be classified as Non-Qualified Persons and shall not exercise for any Non-Qualified Persons), with signature and seal being affixed to it, submit it together with necessary documents separately designated, as necessary, for the exercise of the Stock Acquisition Right, as well as other documents required by the Financial Instruments and Exchange Act and other laws and related regulations (including rules established by the Japan Securities Dealers Association and Japanese securities exchanges) from time to time, to the place of receipt of payment, and pay cash equivalent to the entire amount of exercise price of shares subject to the Stock Acquisition Right involving such exercise to the place of receipt of payment. In this connection, the party eligible for the Stock Acquisition Right may individually exercise each Stock Acquisition Right held by it, and if there are remaining Stock Acquisition Rights in such individual exercise, the Company shall enter or record the date of such individual exercise by the party eligible for the Stock Acquisition Right and the number of remaining Stock Acquisition Rights in the original register of Stock Acquisition Rights.

(2) Time of occurrence of effect of claim for exercise of Stock Acquisition Right

Time of occurrence of effect of claim for exercise of Stock Acquisition Right shall be the time the claim form for exercise of the Stock Acquisition Right involving the exercise and attached documents arrive at the place of receipt of payment in accordance with the provision of (1) above. Effect of the Stock Acquisition Right shall occur at the time when the claim for exercise of the Stock Acquisition Right is effective, and cash equivalent to the entire amount of exercise price of shares subject to the Stock Acquisition Right involving such exercise is paid at the place of receipt of payment.

(g) Notice to the party eligible for the stock acquisition right

- (1) Notice to the party eligible for the stock acquisition right shall be given in writing to the address of the party eligible for the stock acquisition right entered in the original register of stock acquisition rights, and such notice shall be deemed to be received at the time it should normally be received.
- (2) For approval, the Company may deem that the party eligible for the stock acquisition right approves the notice requesting his/her approval unless he/she has otherwise notified to the Company in writing within 14 days from the day that notice is deemed to be received.

(h) Notification under the Financial Instruments and Exchange Act

If it is necessary to give notification for each item above under the Financial Instruments and Exchange Act, occurrence of the effect of such notification shall be a condition to be met.

(i) Amendment following revision of law

If it becomes necessary to amend the provisions established in the above clauses or meanings of terms due to establishment of a new law or changes in laws, considering the purpose of such establishment or changes, the provisions established in the above clauses or meanings of terms shall read in response to the purpose to the reasonable extent.