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In the event of any discrepancies between the Japanese and English versions, the former shall prevail.

Securities code: 6418

June 2, 2026

(Start date of measures for electronic provision: May 26, 2026)

To Our Shareholders

Yojiro Kamihigashi

President and Representative Director

Japan Cash Machine Co., Ltd.

2-11-18 Nambanaka, Naniwa-ku, Osaka City

Convocation Notice of the 73rd Ordinary General Meeting of Shareholders

Japan Cash Machine Co., Ltd. (hereinafter referred to as the “Company”) hereby notifies you that the 73rd Ordinary General Meeting of Shareholders will be held as follows.

In convening this Ordinary General Meeting of Shareholders, the Company has taken measures to electronically provide the information contained in the Reference Documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format are to be taken). This information is published on the following websites for your reference.

The Company’s website

<https://www.jcm-hq.co.jp/> (in Japanese)

(From the English-language version of the above website, please click “IR Information.” Then, click “General Stock Information,” followed by “Shareholders Meetings,” and select “Convocation Notice of the 73rd Ordinary General Meeting of Shareholders.”)

Website for posted informational materials for the General Meeting of Shareholders

<https://d.sokai.jp/6418/teiji/> (available only in Japanese)

TSE website (Listed Company Search)

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

(Access the TSE website, enter “Japan Cash Machine” in the “Issue name (company name)” or securities code “6418” in the “Code” field to search, then select “Basic information” and “Documents for public inspection/PR information” in that order. Finally, check “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”)

If you are not attending the meeting in person, you may exercise your voting rights over the Internet, etc. or in writing. Please refer to the Reference Documents for the General Meeting of Shareholders and exercise your voting rights before 5:30 p.m. (JST) on Tuesday, June 23, 2026 according to the instructions mentioned below.

1. **Date and time:** Wednesday, June 24, 2026, at 10:00 a.m. (JST) (Reception starts at 9:00 a.m.)

2. **Venue:** Namba SkyO, Convention Hall (7th floor), 5-1-60, Namba, Chuo-ku, Osaka City

3. Agenda

Matters to be reported

1. Reports on the Business Report, the Consolidated Financial Statements, and the Results of the Audit of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee for the 73rd Fiscal Year (from April 1, 2025 to March 31, 2026)
2. Reports on the Non-consolidated Financial Statements for the 73rd Fiscal Year (from April 1, 2025 to March 31, 2026)

Matter to be resolved

- Proposal 1 Election of Eight (8) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 2 Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
- Proposal 3 Revision of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 4 Continuation of Policy to Address Large-scale Purchases of the Company's Shares (Takeover Defense Measures)

<Request to Shareholders>

- If you are not attending in person, you can exercise your voting rights over the Internet, etc. or in writing.
- If you will be attending in person, please submit the enclosed voting form at reception.

<Handling of the General Meeting of Shareholders>

- Souvenirs will not be distributed to shareholders attending the General Meeting of Shareholders.
- Under the system for electronic provision of materials for the General Meeting of Shareholders, in principle, a summary version of the convocation notice is delivered to shareholders.
- Among matters for which measures for providing information in electronic format are to be taken, based on laws, regulations and the Company's Articles of Incorporation, paper-based documents to be sent out to shareholders who have requested paper-based delivery do not include the following: (i) "Systems for ensuring the appropriateness of operations and the state of operation thereof" in the Business Report, (ii) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in Consolidated Financial Statements, and (iii) "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in Non-consolidated Financial Statements. The Audit & Supervisory Committee and the Financial Auditor have audited the documents subject to audit, including the aforementioned matters.
- In the event that corrections are made to this Convocation Notice or matters for which measures for providing information in electronic format are to be taken, the details of such corrections will be provided on the Company's website, website for posted informational materials for the General Meeting of Shareholders and the TSE website mentioned above.

Information on Exercising Voting Rights

The right to vote at the General Meeting of Shareholders is an important right of all shareholders.

Please carefully consider the reference documents for the General Meeting of Shareholders before exercising your voting rights.

The three following methods can be used to exercise your voting rights.

Attending the General Meeting of Shareholders in person

Please submit the enclosed voting form at reception.

Time and date

Wednesday, June 24, 2026

10 a.m. (JST) (Reception starts at 9:00 a.m.)

Voting in writing (by mail)

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it to us.

Deadline

Must arrive by 5:30 p.m. (JST) on Tuesday, June 23, 2026

Voting over the Internet, etc.

Please input your approval or disapproval of the proposals according to the instructions on the following page.

Deadline

Input must be completed by 5:30 p.m. (JST) on Tuesday, June 23, 2026

If you vote both on the Internet, etc. and in writing (by mail), the vote on the Internet, etc. will be treated as a valid vote. Furthermore, if you vote multiple times on the Internet, etc., the final vote will be treated as a valid vote.

If neither approval nor disapproval of each proposal is indicated on the voting form when you exercise your voting rights in writing (by mail), the Company will deem that you have indicated your approval of each proposal.

Information on Exercising Voting Rights over the Internet, etc.

Method 1: “Smart Voting” Reading a QR Code

You can log into the voting website without entering your voting code and password.

1 Read the QR code shown on the bottom right of the voting form.

* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

2 Follow the instructions on screen to enter your approval or disapproval.

You can only vote once using Smart Voting.

If you wish to change the content of your vote, please access the PC website and login using the voting code and password shown on the voting form to vote again.

* You will be taken to the PC site if you read the QR code again.

Method 2: Entering the Voting Code and Password

Voting website: <https://www.web54.net> (available only in Japanese)

1 Access the voting website.

2 Enter the “voting code” shown on your voting form.

3 Enter the “password” shown on your voting form.

4 Follow the instructions on screen to enter your approval or disapproval.

Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposal 1 Election of Eight (8) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of all seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same in this proposal) will expire at the close of this General Meeting of Shareholders. Adding one (1) Director to further strengthen our management system, we are therefore requesting the election of eight (8) Directors, including two (2) Outside Directors.

Each candidate is nominated at the Board of Directors meeting based on the report of the Nomination and Remuneration Advisory Committee, which is chaired by an Independent Outside Director and the majority of its members are Outside Directors to ensure fairness and transparency.

The candidates for Director are as follows

| Candidate No. | | Name | Current Position and Responsibilities in the Company (Significant concurrent positions outside the Company) | Attendance at Board of Directors Meetings (73rd fiscal year) |
|---------------|--------------------------------------|----------------------|---|--|
| 1 | Reelection | Yojiro Kamihigashi | President and Representative Director (Representative Director of Johto Investment and Development Inc.) | 100.0% (18 out of 18 meetings) |
| 2 | Reelection | Tsuyoshi Takagaki | Representative Director, Senior Executive Director, and Senior Executive Officer, Executive General Manager of Corporate Planning Division | 100.0% (18 out of 18 meetings) |
| 3 | Reelection | Yoshihiro Iuchi | Executive Director and Senior Executive Officer, Executive General Manager of Global Strategy Division, in charge of Sales | 100.0% (18 out of 18 meetings) |
| 4 | Reelection | Norihito Nakatani | Executive Director and Senior Executive Officer, Executive General Manager of Production Division, in charge of Production | 100.0% (18 out of 18 meetings) |
| 5 | Reelection | Takatomo Imai | Executive Director and Senior Executive Officer, Deputy Executive General Manager of Corporate Planning Division Deputy Executive General Manager of Global Strategy Division, in charge of Global Finance (Representative Director of JCM AMERICAN CORP.) | 100.0% (18 out of 18 meetings) |
| 6 | New election | Yasuyuki Fujiwara | Senior Executive Officer Executive General Manager of R&D Division, in charge of Development (Representative Director of J-CASH MACHINE (THAILAND) CO., LTD.) | –% (– out of – meetings) |
| 7 | Reelection Outside Independent | Koji Yoshikawa | Outside Director (Attorney (Baba Law Firm)) | 100.0% (18 out of 18 meetings) |
| 8 | Reelection Outside Independent | Tatsuhiko Saruwatari | Outside Director | 94.4% (17 out of 18 meetings) |

Candidate No.

1

Yojiro Kamihigashi

(June 5, 1959)

Reelection

- Number of the Company's Shares Owned
1,466,283 shares
- Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)
33 years
- Attendance at Board of Directors meetings (73rd fiscal year)
100.0% (18/18)

■ Career Summary, and Position and Responsibility in the Company

- Oct. 1984 Joined Japan Cash Machine Co., Ltd.
- June 1993 Director of the Company
- May 1995 Director and General Manager of Overseas Sales Department
- June 2006 Director, Executive Officer, and Executive General Manager of International Division
- Apr. 2007 President and Representative Director (current position)

■ Significant concurrent positions outside the Company

Representative Director of Johto Investment and Development Inc.

Reasons for nomination as candidate for Director

Yojiro Kamihigashi has management experience at overseas subsidiaries. Capitalizing on this experience, as President and Representative Director, he currently exerts effective leadership in the management of the Group's global business development. He plays an important role in decision making, while overseeing the execution of business. Since it is expected that he will continue to perform his duties appropriately and will contribute to the sustained enhancement of the corporate value of the Group, he is considered to be a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between candidate and the Company

There is no special interest between Mr. Kamihigashi and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided in "2 (3) 3) Summary of details, etc. of directors and officers liability insurance policy" in the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

2

Tsuyoshi Takagaki

(September 13, 1961)

Reelection

- Number of the Company's Shares Owned
15,300 shares
- Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)
13 years
- Attendance at Board of Directors meetings (73rd fiscal year)
100.0% (18/18)

■ Career Summary, and Position and Responsibility in the Company

| | |
|-----------|--|
| Aug. 1997 | Joined Japan Cash Machine Co., Ltd. |
| June 2007 | Executive Officer and Deputy Executive General Manager of Administration Division of the Company |
| Oct. 2011 | Senior Executive Officer and Executive General Manager of Human Resources, General Affairs and Corporate Planning Division |
| June 2013 | Director and Senior Executive Officer |
| Dec. 2013 | Executive General Manager of Corporate Planning Division (current position) |
| June 2019 | Executive Director and Senior Executive Officer |
| Apr. 2026 | Representative Director, Senior Executive Director, and Senior Executive Officer (current position) |

Reasons for nomination as candidate for Director

Since joining the Company, Tsuyoshi Takagaki has worked for the development of the Group, taking charge of general affairs, legal, compliance, and human resources. He currently makes effective business decisions based on his experiences accumulated through his career, while also supervising execution of effective business activities as Representative Director and Senior Executive Director.

Since it is expected that he will continue to perform his duties appropriately and will contribute to the sustained enhancement of the corporate value of the Group, he is considered to be a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between candidate and the Company

There is no special interest between Mr. Takagaki and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided in "2 (3) 3 Summary of details, etc. of directors and officers liability insurance policy" in the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

3

Yoshihiro Iuchi

(May 21, 1960)

Reelection

- Number of the Company's Shares Owned
19,600 shares
- Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)
8 years
- Attendance at Board of Directors meetings (73rd fiscal year)
100.0% (18/18)

■ Career Summary, and Position and Responsibility in the Company

- Mar. 2004 Joined Japan Cash Machine Co., Ltd.
- June 2007 Executive Officer and Deputy Executive General Manager of International Division of the Company
- Nov. 2010 Representative Director of JCM GOLD (H.K.) LTD.
- June 2016 Senior Executive Officer in charge of Production Division of the Company
- June 2018 Director, Senior Executive Officer, and Executive General Manager of Global Strategy Division
- July 2019 In charge of Sales (current position)
- Apr. 2026 Executive Director, Senior Executive Officer, and Executive General Manager of Global Strategy Division (current position)

Reasons for nomination as candidate for Director

Since joining the Company, Yoshihiro Iuchi has engaged mainly in overseas sales activities, and then worked as the Representative Director of a subsidiary company that controls overseas production. Currently, he serves as Executive Director playing a useful role overseeing appropriate decision making and business execution from a global perspective. Since it is expected that he will continue to perform his duties appropriately and will contribute to the sustained enhancement of the corporate value of the Group, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between candidate and the Company

There is no special interest between Mr. Iuchi and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided in "2 (3) 3) Summary of details, etc. of directors and officers liability insurance policy" in the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

4

Norihito Nakatani

(February 20, 1960)

Reelection

■Number of the Company's Shares Owned

17,700 shares

■Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)

7 years

■Attendance at Board of Directors meetings (73rd fiscal year)

100.0% (18/18)

■Career Summary, and Position and Responsibility in the Company

| | |
|-----------|---|
| Oct. 1990 | Joined Japan Cash Machine Co., Ltd. |
| June 2007 | Executive Officer and Deputy Executive General Manager of SCM Division of the Company |
| May 2008 | Deputy Executive General Manager of Engineering Division |
| Nov. 2010 | Representative Director of JCM CHINA CO., LTD. |
| June 2015 | In charge of Production of Creating and Manufacturing Division of the Company |
| June 2016 | Executive General Manager of Production Division |
| June 2017 | Executive General Manager of Second R&D Division |
| June 2018 | Senior Executive Officer Executive Director of JCM SYSTEMS Co., LTD. |
| June 2019 | Director and Senior Executive Officer of the Company |
| Oct. 2021 | In charge of Production (current position) |
| Jan. 2022 | Executive General Manager of Production Division (current position) |
| Apr. 2026 | Executive Director and Senior Executive Officer (current position) |

Reasons for nomination as candidate for Director

Since joining the Company, Norihito Nakatani has engaged mainly in production-related operations, and then worked as the Representative Director of a subsidiary company that controls overseas production. Currently, he serves as Executive Director, responsible for the Production Division overseeing appropriate decision making and business execution based on relevant work experience. Since it is expected that he will continue to perform his duties appropriately and will contribute to sustained enhancement of the corporate value of the Group, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between candidate and the Company

There is no special interest between Mr. Nakatani and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided in "2 (3) 3) Summary of details, etc. of directors and officers liability insurance policy" in the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

5

Takatomo Imai

(February 28, 1961)

Reelection

- Number of the Company's Shares Owned
8,300 shares
- Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)
3 years
- Attendance at Board of Directors meetings (73rd fiscal year)
100.0% (18/18)

■ Career Summary, and Position and Responsibility in the Company

- Sep. 2001 Joined Japan Cash Machine Co., Ltd.
- Oct. 2011 Deputy Executive General Manager of Finance and Accounting Division of the Company
- July 2016 Executive Officer, Deputy Executive General Manager of Corporate Planning Division (current position)
- July 2018 Senior Executive Officer
Representative Director of JCM AMERICAN CORP. (current position)
- June 2023 Director and Senior Executive Officer of the Company
Deputy Executive General Manager of Global Strategy Division (current position)
In charge of Global Finance (current position)
- Apr. 2026 Executive Director and Senior Executive Officer (current position)

■ Significant concurrent positions outside the Company

Representative Director of JCM AMERICAN CORP.

Reasons for nomination as candidate for Director

Since joining the Company, Takatomo Imai has been involved mainly in accounting and finance, and in the management of an overseas subsidiary. Moreover, he has a track record and experience contributing to the Group, including serving as Representative Director of an overseas sales subsidiary. Currently, he serves as Executive Director, conducting appropriate decision-making and supervising business execution in the Global Finance area based on these duties, in order to stimulate further overseas expansion within the Group going forward. Since it is expected that he will continue to perform his duties appropriately and will contribute to sustained enhancement of the corporate value of the Group, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between candidate and the Company

There is no special interest between Mr. Imai and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided in "2 (3) 3) Summary of details, etc. of directors and officers liability insurance policy" in the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

6

Yasuyuki Fujiwara

(January 15, 1969)

New election

- Number of the Company's Shares Owned
4,200 shares
- Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)
- years
- Attendance at Board of Directors meetings (73rd fiscal year)
-% (-/-)

■ Career Summary, and Position and Responsibility in the Company

- Apr. 1991 Joined Japan Cash Machine Co., Ltd.
- July 2018 General Manager of Engineering Department, Production Division
- June 2019 Executive Officer, Deputy Executive General Manager of First R&D Division
- Oct. 2021 Senior Executive Officer, General Manager of First R&D Division
- July 2022 In charge of Development (current position)
- July 2023 Senior Executive Officer, Executive General Manager of R&D Division (current position)

■ Significant concurrent positions outside the Company

Representative Director of J-CASH MACHINE (THAILAND) CO., LTD.

Reasons for nomination as candidate for Director

Since joining the Company, Yasuyuki Fujiwara has been engaged mainly in production engineering and research and development, and he also has a track record and experience contributing to the Group, including serving as Representative Director of an overseas software development subsidiary. He is an essential person for further strengthening the Group's technological development and product competitiveness going forward, and he is expected to conduct appropriate decision-making and supervision of business execution based on these operations, and to carry out his duties appropriately. We have nominated him as a new candidate for Director because we have determined that he is suitable for the position of Director with a view to helping realize the Group's sustainable increase in corporate value.

Special interests between candidate and the Company

There is no special interest between Mr. Fujiwara and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided in "2 (3) 3) Summary of details, etc. of directors and officers liability insurance policy" in the Business Report. If the election of the candidate for Director is approved, the candidate will be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

7

Koji Yoshikawa

(February 8, 1950)

Reelection

Outside

Independent

■Number of the Company's Shares Owned

-

■Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)

12 years

■Attendance at Board of Directors meetings (73rd fiscal year)

100.0% (18/18)

■Career Summary, and Position and Responsibility in the Company

- 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)

■Significant concurrent positions outside the Company

Attorney (Baba Law Firm)

Reasons for nomination as candidate for Outside Director and summary of expected roles

Although Koji Yoshikawa has not been directly involved in the management of a company, he has extensive knowledge and expertise as a judicial officer. He has been giving appropriate advice to the Group, which operates compliance-oriented management, such as maintaining licenses in the gaming market. Since it is expected that he will contribute to strengthening the function of supervising the execution of duties of other Directors and transparency of management, we consider him an appropriate candidate for Outside Director of the Company. Accordingly, he is a proposed candidate for Outside Director.

Independence

The Company has submitted notification to the Tokyo Stock Exchange that Mr. Yoshikawa has been designated as an independent officer as provided for by the aforementioned exchange. The Company has also established its own standards for determining independence, separately from those stipulated by the aforementioned exchange, and this candidate also fulfills the Company's standards for determining independence.

Special interests between candidate and the Company

There is no special interest between Mr. Yoshikawa and the Company.

Limited liability agreement

The Company has concluded an agreement with Mr. Yoshikawa to limit his liability for damages under Article 423, paragraph (1) of the Companies Act pursuant to the provision of Article 427, paragraph (1) of the same Act. The maximum amount of the liability for damages under the agreement shall be the higher of either ten million yen or the minimum amount of liability prescribed by Article 425, paragraph (1) of the Companies Act. If the reelection of this candidate is approved, the Company plans to continue the agreement.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided in “2 (3) 3) Summary of details, etc. of directors and officers liability insurance policy” in the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

8

Tatsuhiko Saruwatari

(March 1, 1953)

Reelection

Outside

Independent

■Number of the Company's Shares Owned

-

■Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)

6 years

■Attendance at Board of Directors meetings (73rd fiscal year)

94.4% (17/18)

■Career Summary, and Position and Responsibility in the Company

| | |
|-----------|--|
| 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) |

Reasons for nomination as candidate for Outside Director and summary of expected roles

Tatsuhiko Saruwatari has a wealth of experience and broad knowledge as a manager and is expected to provide advice and suggestions in management activities aimed at realizing the sustainable enhancement of the corporate value of the Group. In addition, we consider him an appropriate candidate for the position of Outside Director of the Company, who aims to strengthen the function of supervising the execution of duties of other Directors and further improve the transparency of management. Accordingly, he is a proposed candidate for Outside Director.

Independence

The Company has submitted notification to the Tokyo Stock Exchange that Mr. Saruwatari has been designated as an independent officer as provided for by the aforementioned exchange. The Company has also established its own standards for determining independence, separately from those stipulated by the aforementioned exchange, and this candidate also fulfills the Company's standards for determining independence.

Special interests between candidate and the Company

There is no special interest between Mr. Saruwatari and the Company.

Limited liability agreement

The Company has concluded an agreement with Mr. Saruwatari to limit his liability for damages under Article 423, paragraph (1) of the Companies Act pursuant to the provision of Article 427, paragraph (1) of the same Act. The maximum amount of the liability for damages under the agreement shall be the higher of either ten million yen or the minimum amount of liability prescribed by Article 425, paragraph (1) of the Companies Act. If the reelection of this candidate is approved, the Company plans to continue the agreement.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided in “2 (3) 3) Summary of details, etc. of directors and officers liability insurance policy” in the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Proposal 2 Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

As the terms of all three (3) Directors who are Audit & Supervisory Committee Members will expire at the close of this Ordinary General Meeting of Shareholders, we are seeking the election of three (3) Directors who are Audit & Supervisory Committee Members, including two (2) Outside Directors.

In addition, the consent of the Audit & Supervisory Committee has been obtained for this proposal. Each candidate is nominated at the Board of Directors meeting based on the report of the Nomination and Remuneration Advisory Committee, which is chaired by an Independent Outside Director and the majority of its members are Outside Directors to ensure fairness and transparency.

Candidates for the role of Directors who are Audit & Supervisory Committee Members are as follows:

| Candidate No. | Name | Current Position and Responsibilities in the Company (Significant concurrent positions outside the Company) | Attendance at Board of Directors Meetings (73rd fiscal year) | Attendance at Audit & Supervisory Committee Meetings (73rd fiscal year) |
|---------------|---|---|--|---|
| 1 | Reelection Michimasa Teraoka | Director (Full-time Audit & Supervisory Committee Member) | 100.0% (18 out of 18 meetings) | 100.0% (14 out of 14 meetings) |
| 2 | Reelection Outside Independent Yoko Sato | Outside Director (Audit & Supervisory Committee Member) (Certified Public Accountant (Representative of Yoko Sato Certified Public Accountant Office), Outside Director of TOCALO Co., Ltd., and Outside Director of Sanyo Electric Railway Co., Ltd.) | 100.0% (18 out of 18 meetings) | 100.0% (14 out of 14 meetings) |
| 3 | New election Outside Yuki Kawata | (Attorney (Kitahama Partners)) | –% (– out of – meetings) | –% (– out of – meetings) |

Candidate No.

1

Michimasa Teraoka

Reelection

(May 17, 1960)

■Number of the Company's Shares Owned

42,731 shares

■Number of years served as Director and Audit & Supervisory Board Member (at the conclusion of this Ordinary General Meeting of Shareholders)

7 years

(5 years as Full-time Audit & Supervisory Board Member and 2 years as Director (Full-time Audit & Supervisory Committee Member))

■Attendance at Board of Directors meetings (73rd fiscal year)

100.0% (18/18)

■Attendance at Audit & Supervisory Committee Meetings (73rd fiscal year)

100.0% (14/14)

■Career Summary, and Position and Responsibility in the Company

| | |
|-----------|---|
| June 1980 | Joined Japan Cash Machine Co., Ltd. |
| June 2006 | Executive Officer and Deputy Executive General Manager of Administration Division |
| June 2007 | Senior Executive Officer and Executive General Manager of Administration Division |
| June 2014 | Executive Director of JCM SYSTEMS Co., LTD. |
| June 2017 | Senior Executive Officer General Manager of Domestic Business Strategy Department, Corporate Planning Division |
| June 2018 | In charge of Risk Management and Internal Audit |
| June 2019 | Full-time Audit & Supervisory Board Member |
| June 2024 | Director of the Company (Full-time Audit & Supervisory Committee Member) (current position) |

Reason for nomination as candidate for Director who is an Audit & Supervisory Committee Member

Since joining the Company, Michimasa Teraoka has been engaged for many years in administrative operations centered on finance and accounting, and he possesses extensive experience and a strong track record in these areas. In addition, he has served as the person responsible for risk management and internal audit operations, giving him a thorough understanding of the business activities of the entire Group. He also has appropriate audit experience based on his service as Full-time Audit & Supervisory Board Member and as Director who is a Full-time Audit & Supervisory Committee Member. Going forward, Mr. Teraoka is expected to utilize his knowledge and experience as a Director who is a member of the Audit & Supervisory Committee to demonstrate highly effective audit and supervisory functions over business execution. Therefore, we consider him an appropriate candidate for the role of Director who is an Audit & Supervisory Committee Member. Accordingly, he is proposed to continue serving as a candidate for Director who is an Audit & Supervisory Committee Member.

Special interests between candidate and the Company

There is no special interest between Mr. Teraoka and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided in "2 (3) 3) Summary of details, etc. of directors and officers liability insurance policy" in the Business Report. If the election of the candidate for Director who is an Audit & Supervisory Committee Member is approved, the candidate will

continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

2

Yoko Sato

(July 23, 1960)

Reelection

Outside

Independent

■Number of the Company's Shares Owned

-

■Number of years served as Director and Audit & Supervisory Board Member (at the conclusion of this Ordinary General Meeting of Shareholders)

6 years

(4 years as Outside Audit & Supervisory Board Member and 2 years as Outside Director (Audit & Supervisory Committee Member))

■Attendance at Board of Directors meetings (73rd fiscal year)

100.0% (18/18)

■Attendance at Audit & Supervisory Committee Meetings (73rd fiscal year)

100.0% (14/14)

■Career Summary, and Position and Responsibility in the Company

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

Mar. 1990 Registered as Certified Public Accountant

May 2011 Appointed as Senior Partner of Ernst & Young ShinNihon LLC

June 2019 Left 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)

■Significant concurrent positions outside the Company

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.

Reasons for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles

Although Yoko Sato does not have direct experience in corporate management, she has long been engaged in audit operations as a certified public accountant and possesses advanced professional expertise in finance and accounting as well as extensive audit experience. In addition, in her current role as Outside Director who is an Audit & Supervisory Committee Member, she conducts audits of Directors' execution of duties from an objective and professional standpoint, while also providing appropriate advice and recommendations, thereby contributing to ensuring the soundness of the Company's management. Going forward, Ms. Sato is expected to utilize her knowledge and experience as an Outside Director who is a member of the Audit & Supervisory Committee to demonstrate highly effective audit and supervisory functions over business execution. Therefore, we consider her an appropriate candidate for the role of Outside Director who is an Audit & Supervisory Committee Member. Accordingly, she is proposed to continue serving as a candidate for Outside Director who is an Audit & Supervisory Committee Member.

Independence

The Company has submitted notification to the Tokyo Stock Exchange that Ms. Sato has been designated as an independent officer as provided for by the aforementioned exchange. The Company has also established its own standards for determining independence, separately from those stipulated by the aforementioned exchange, and this candidate also fulfills the Company's standards for determining independence.

Special interests between candidate and the Company

There is no special interest between Ms. Sato and the Company.

Limited liability agreement

The Company has concluded an agreement with Ms. Sato to limit her liability for damages under Article 423, paragraph (1) of the Companies Act pursuant to the provision of Article 427, paragraph (1) of the same Act. The maximum amount of the liability for damages under the agreement shall be the higher of either ten million yen or the minimum amount of liability prescribed by Article 425, paragraph (1) of the Companies Act. If the reelection of this candidate is approved, the Company plans to enter into another agreement with similar terms and conditions.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided in “2 (3) 3 Summary of details, etc. of directors and officers liability insurance policy” in the Business Report. If the election of the candidate for Director who is an Audit & Supervisory Committee Member is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

3

Yuki Kawata

(April 22, 1986)

New election

Outside

■Number of the Company's Shares Owned

-

■Number of years served as Director and Audit & Supervisory Board Member (at the conclusion of this Ordinary General Meeting of Shareholders)

- years

■Attendance at Board of Directors meetings (73rd fiscal year)

-% (-/-)

■Attendance at Audit & Supervisory Committee Meetings (73rd fiscal year)

-% (-/-)

■Career Summary, and Position and Responsibility in the Company

Dec. 2013 Registered as Attorney

Jan. 2014 Joined Kitahama Partners

Jan. 2025 Kitahama Partners, Partner (current position)

■Significant concurrent positions outside the Company

Attorney (Kitahama Partners)

Reasons for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles

Although Yuki Kawata does not have direct experience in corporate management, she possesses professional expertise in corporate risk management and compliance cultivated through her work as an attorney. She also possesses an international perspective based on overseas experience, including service at a foreign law firm. Ms. Kawata is expected to provide useful guidance and advice to ensure sound corporate management and build a strong compliance system based on her knowledge and experience, as well as to strengthen the auditing and supervisory functions of the duties executed by Directors. Therefore, we consider her an appropriate candidate for the position of Outside Director who is an Audit & Supervisory Committee Member of the Company. Accordingly, Ms. Kawata is newly proposed as a candidate for Outside Director who is an Audit & Supervisory Committee Member.

Independence

Ms. Kawata is employed by the law firm Kitahama Partners, with which the Company has entered into an advisory contract, and the amount of compensation paid by the Company to the firm in the most recent fiscal year exceeds the Company's independently established standards for determining independence (12 million yen per year). Therefore, the Company has not designated Ms. Kawata as an independent officer, and does not intend to submit notification to the Tokyo Stock Exchange that Ms. Kawata has been designated as an independent officer as provided for by the aforementioned exchange.

Special interests between candidate and the Company

There is no special interest between Ms. Kawata and the Company.

Limited liability agreement

The Company plans to conclude an agreement with Ms. Kawata to limit her liability for damages under Article 423, paragraph (1) of the Companies Act pursuant to the provision of Article 427, paragraph (1) of the same Act. The limit on liability for damages pursuant to the agreement is the

higher amount of either ten million yen or the minimum limit on liability specified in Article 425, paragraph (1) of the Companies Act.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided in “2 (3) 3) Summary of details, etc. of directors and officers liability insurance policy” in the Business Report. If the election of the candidate for Director who is an Audit & Supervisory Committee Member is approved, the candidate will be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

(Reference) Composition of the directors if and when Proposal 1 and Proposal 2 are approved as proposed

The Company selects Directors after the Nomination and Remuneration Advisory Committee examines and reports on the skills, know-how, diversity, etc. that the Board of Directors should possess in light of the Group's business strategy, based on the experience and achievements of each candidate.

Skill Matrix of Directors at the Time of this General Meeting of Shareholders

| Name & Title | | Management Experience/ Corporate Strategy | Global Experience | Production/ Manufacturing | Technology/ R&D | Sales/ Marketing | Finance/ Accounting/ M&A | Human Resources/ Labor management/ Talent Development | Legal/ Risk Management |
|----------------------|-------------------|--|-------------------|------------------------------|--------------------|---------------------|--------------------------------|---|---------------------------|
| Yojiro Kamihigashi | | • | • | | • | • | | | |
| Tsuyoshi Takagaki | NR OC | • | | | | | • | • | • |
| Yoshihiro Iuchi | NR OC | • | • | • | • | • | | | |
| Norihito Nakatani | | • | • | • | • | | | | |
| Takatomo Imai | | • | • | | | • | • | | |
| Yasuyuki Fujiwara | | | • | | • | | | | |
| Koji Yoshikawa | NR OO OC | | | | | | | | • |
| Tatsuhiko Saruwatari | NR OO OC | • | | | • | | | • | |
| Michimasa Teraoka | AS NR | • | | | | • | • | | |
| Yoko Sato | AS NR OO OC | • | | | | | • | | |
| Yuki Kawata | AS NR OO OC | | • | | | | | • | • |

Abbreviations for the above positions are as follows.

(Positions)

| | | | | | | | |
|----|--------------------------------------|----|-----------------|----|--|----|-------------------------|
| AS | Audit & Supervisory Committee Member | OO | Outside Officer | NR | Nomination and Remuneration Advisory Committee | OC | Outside Officer Council |
|----|--------------------------------------|----|-----------------|----|--|----|-------------------------|

Standards for Determining Independence of Outside Directors

The Company has established the following standards on independence of Outside Directors, and if it is found that none of the following items apply to an Outside Director as a result of investigations conducted to the extent reasonably possible in the Company, the Outside Director is deemed to have adequate independence from the Company.

1. An executive (meaning Executive Directors, Executive Officers and employees (excluding Audit & Supervisory Board Members); the same applies below) of the Company and the Company's consolidated subsidiaries (hereinafter collectively referred to as the "Group"), or a person who has been an executive of the Group in the past ten years
2. A person who is a major seller to the Group (a trading group (meaning a corporate group made up of direct business partners, their parent company and subsidiaries, and the subsidiaries of said parent company; the same applies below) providing products or services to the Group, where the transaction amount in the most recent fiscal year exceeds 2% of the consolidated net sales of said group) or an executive thereof
3. A major purchaser of the Group (a purchaser group to which the Group provides products or services, where the transaction amount in the most recent fiscal year exceeds 2% of the consolidated net sales of the Group) or an executive thereof
4. A legal expert, accounting expert, consultant, or advisor (if the party obtaining an economic benefit is an organization such as a corporation or association, a person belonging to the organization) who receives a large sum of money or other economic benefit (meaning money or other economic benefit exceeding 5 million yen per year in the case of an individual or 12 million yen per year in the case of a group, excluding officer remuneration, in the most recent fiscal year) separate from officer remuneration from the Group
5. A person who belongs to an audit firm conducting statutory audits of the Group
6. A person who receives donations or subsidies exceeding a certain amount (ten million yen per year on average over the past three fiscal years) from the Company (if the party receiving the donations or subsidies is an organization such as a corporation or an association, an executive of the organization)
7. An executive of a major financial institution from which the Group conducts borrowing (a financial institution from which the amount of borrowing at the end of the most recent fiscal year exceeds 2% of the consolidated total assets of the Company) or the parent company or a subsidiary thereof
8. A major shareholder (a person who directly or indirectly holds a percentage of voting rights that is 10% or more of the total voting rights at the end of the most recent fiscal year) of the Group, or if the major shareholder is a corporation, an executive of the corporation
9. An executive of another company with mutual appointment of Outside Officers (a relationship in which an executive of the Group is an Outside Officer of another company, and an executive of another company is an Outside Officer of the Company)
10. A person who has fallen under 2 through 9 above during the past five years
11. The spouse or a relative within the second degree of kinship of a person falling under 1 through 10 above (limited to persons in important positions (limited to Directors (excluding Outside Directors), Executive Officers, employees in senior managerial positions of general manager or higher, attorneys who belong to a law firm, certified public accountants who belong to an audit firm or accounting office, officers such as councilors, directors and auditors who belong to an incorporated foundation, an incorporated association, an incorporated educational institution or other corporation, or a person objectively and reasonably deemed to have equivalent importance))
12. Beyond what is provided for in the preceding items, a person who has special grounds for being unable to fulfill his/her duties as an independent Outside Officer such as the potential for the occurrence of a conflict of interests with the Company

Even if a person falls under any of 2 through 11 above, if the person satisfies the requirements for an outside director under the Companies Act and is deemed by the Company to be suitable as an independent Outside Director, the person may be exceptionally nominated as a candidate for independent Outside Director by indicating the reason for the decision.

Proposal 3 Revision of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The Company received shareholders' approval at the 71st Ordinary General Meeting of Shareholders, held on June 25, 2024, that the limit on basic remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same in this proposal) shall be within 270 million yen per year (including a limit of 40 million yen for Outside Directors but excluding salaries for Directors who concurrently serve as employees).

Now we seek approval to revise this limit to 390 million yen per year (including up to 40 million yen for Outside Directors, but excluding salaries for Directors who concurrently serve as employees), and to have the specific amounts and timing of payments for each Director determined by resolution of the Board of Directors. These changes are intended to revise the remuneration system, giving weight to the promotions among Directors and increase in the number of Directors, increasing their motivation to achieve the targets set forth in the recently formulated Medium-Term Management Plan, JCM Global Vision 2032 –Next Growth Stage–, and setting competitive remuneration levels compared with competitors among manufacturing companies in Japan and overseas.

The Company currently has seven (7) Directors. If Proposal 1 (Election of Eight (8) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)) is approved as proposed, the number of Directors will be eight (8), including two (2) Outside Directors.

The amount of remuneration, etc. related to this proposal consists of fixed remuneration and performance-linked remuneration aligned with indicators that contribute to the Company's business performance and the enhancement of medium- to long-term corporate value, in accordance with the Company's basic policy on Directors' remuneration. It has been set with comprehensive consideration for the Company's size, the composition of its officers, future business development, and other relevant factors, and is considered appropriate because it has been determined by the Board of Directors based on the report of the non-statutory Nomination and Remuneration Advisory Committee, which is chaired by an Independent Outside Director and whose members consist of a majority of Outside Directors.

Proposal 4 Continuation of Policy to Address Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)

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 Meetings 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 on May 21, 2026, 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 Current Plan is referred to as "this Plan" after its continuation). As such, the Company proposes the Proposal 4.

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 details for changes in this Plan are as follows.

- 1) In regard to the medium-term management plan, we have 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 on May 21, 2026.
- 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 1].
- 3) We also reworded some sections.

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 person who controls the decision on the financial and business policies of the Company needs to be one who fully understands details of finance and business, 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 are, in principle, made at the discretion of shareholders and investors, and we believe 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, we do not deny this, nor do we 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, hostilely and unilaterally 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, we believe 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 behavior, and the opinion of the Board of Directors of the Company regarding the Acquisition will be the material information for making decision to the Company's shareholders. With respect to this, although there is a certain mechanism for providing information 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 one time, 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 a decision on the purchase in accordance with certain reasonable rules established and disclosed in advance by the Company, and to allow the Large-Scale Purchaser to commence the Large-Scale Purchase only after a certain Assessment Period has elapsed at the Board of Directors.

In addition, as mentioned above, it cannot be said that there are no Large-Scale Purchases that would cause irreparable damage to the Company, such as significant damage to the corporate value of the Company and the common interests of its shareholders. The Company recognizes that it is its natural responsibility as a person entrusted with the 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 a person who controls 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 behavior, 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 money handling 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 to all markets in the world and similar products through carrying out basic research and technology development with an eye on the future on the strength of technological capability and a huge amount of monetary data accumulated from the past related to currency validation and transport, that we have built over decades, as well as on a stable financial standing.

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 boasts 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 environment that meets the needs of the times and security systems by developing hybrid products with bill validator units that respond to the emergence 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 our 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 a medium-term management plan

The Company is currently conducting its business activities under the following Basic Policies and priority 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”) which ends in fiscal 2028 (the fiscal year ending March 2029), announced on May 21, 2026.

[Basic Policies]

Anticipating sustainable growth in the future, the Company clarified basic policies and key priorities toward achieving the Company’s Vision for 2032 in the former Medium-Term Management Plan. Under the Current Medium-Term Management Plan, we will also continue to steadily promote measures toward achieving our Vision.

- 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 years of the Current Medium-Term Management Plan are positioned as a period for converting results of planting seeds during the three years of the former Medium-Term Management Plan into an earnings base for the commercial business in order to achieve this Vision for 2032.

While establishing the commercial business as the next pillar of revenue based on stable revenue generated by the global gaming business, our core business, we strive to maximize our corporate value by strengthening each of the business portfolio, capital allocation, human resources, and sustainability fields.

The priority measures to achieve this are as follows:

[Priority Measures]

“Based on stable revenue of existing businesses, we will maximize our corporate value through growth investments, business transformation, and reinforcement of the management foundation.”

- 1) Expand existing businesses
- 2) Establish a new earnings base
- 3) Transform the business portfolio
- 4) Ensure disciplined cash allocation
- 5) Strengthen human resource strategy and human capital
- 6) Advance sustainability management

[Quantitative Targets]

Consolidated performance

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

[Main Management Metrics]

- Net sales (CAGR): 10% (FY2025–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. We currently have four Outside Directors, two of whom (including one woman) are Outside Directors serving as Audit & Supervisory Committee Members, as we work to ensure diversity in the Board of Directors and to strengthen the supervisory function.

(3) Policy for shareholder returns

Regarding the shareholder return policy, the Company had set a goal of deciding the policy with a minimum consolidated dividend payout ratio of 30% as the basis and with the ratio of dividends to net assets in mind, while considering both an increase in dividend amounts through expanding profits via the realization of our growth strategy, and stable payment of dividends as returning profits to the shareholders. However, in accordance with the Medium-Term Management Plan and in our efforts to increase its earnings, we have changed the dividend policy going forward to “a consolidated dividend payout ratio of 50% or higher” to further enhance the return of profits to shareholders.

III. Efforts to Prevent an Inappropriate Person from Controlling the Decisions on the Financial and Business Policies of the Company considering 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 conflict with the corporate value 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 either secure the 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 “2. Current Status of the Company (1) Status of shares (4) Major shareholders (top ten)” of the Business Report. As of the date stated above, approximately 25% of the total Company shares issued are 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 transactions and other methods, 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 or scattered and there is no guarantee of future stability. It causes the possibility that a Large-Scale Purchase of shares may be made in the future that may damage the corporate value of the Company and the common interests of shareholders.

Accordingly, judging that the effort remains necessary 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 on May 21, 2026, has decided to continue the effort on the condition that the proposal is approved by shareholders at this Ordinary General Meeting of Shareholders.

Please be advised that as of the time when the continuation of this Plan was decided, there was no evidence that the Board of Directors of the Company had received any proposal for a Large-Scale Purchase of shares from a 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 that are summarized in the form of a flow chart in [Attachment 2].

(1) Large-Scale Purchases subject to this Plan

Under this Plan, any person ("Large-Scale Purchaser") who commits or intends to commit an act falling under 1), 2) or 3) below (unless the Board of Directors of the Company agrees in advance, hereinafter referred to as a "Large-Scale Purchase") shall follow the procedures set forth in this Plan.

- 1) A purchase or acquisition that brings the total of the holding rate (Note 3) of holders (Note 2) of share certificates, etc., that were issued by the Company (Note 1) to 20% or more.
- 2) A tender offer that brings the total ownership rate (Note 6) of share certificates, etc., issued by the Company (Note 4), of the person making the tender offer (Note 5), and that of persons in its special relationship (Note 7) to 20% or more.
- 3) Regardless of whether the acts specified in 1) or 2) above have been performed, this refers to acts carried out 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 resulting from such acts, which cause the other shareholder(s) to become joint holders (Note 8) with the specific shareholder or acts establishing a relationship where one of them substantially controls the other or they act jointly or in concert (Note 9). (However, this is limited to cases where the total ownership rate 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., prescribed 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, prescribed 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 holding rate 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., prescribed in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply to 2) below.

Note 5) means tender offers, prescribed 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 rate of share certificates, etc., prescribed 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 persons in a special relationship, prescribed in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act. However, the persons prescribed in Item 1 of the same paragraph exclude 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. The same shall apply hereinafter except as otherwise provided.

Note 8) means the joint holders, prescribed 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 1]. The standards set forth in [Attachment 1] may be changed as reasonable 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 the changes.

(2) Demand for Large-Scale Purchasers to submit information

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

The letter of intent shall comply with a form specified by the Company and clearly describe the name, address, governing law 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. Please note that the letter of intent shall be written in Japanese only.

Next, the Company will issue to Large-Scale Purchasers a list of information items that Large-Scale Purchasers shall submit to enable shareholders of the Company to make judgments and the Company’s Board of Directors to form opinions, etc., (hereinafter referred to as the “Necessary Information”) within 10 business days of receiving the letter of intent. 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, schemes of related transactions, legality of purchasing methods, and probability of executing purchases).
- 2) Whether or not there has been communication of intention 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 effective fund providers), and methods for financing Purchases (including the contents of related deals).
- 5) Contents of the Company group's management policies, business plans, financing 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 judges 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 people with whom they are in a special relationship), 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, their businesses' 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, on its own, 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' reply (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 may end communications with the Large-Scale Purchasers about provision of information and commence the procedures described in (3) below.

The Board of Directors of the Company will disclose the fact that the letter of intent was submitted, as appropriate. Regarding information provided to the Company, the Company will disclose it in full or in part in a timely manner if the Company deems it necessary.

(3) Study of contents of Large-Scale Purchases, negotiations with Large-Scale Purchasers, and presentation of alternative proposals

If the Board of Directors of the Company judges 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 based on that described 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 Purchase can be made for the first time 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 (the 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, examine, and work on 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 to present alternative plans 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) Recommendation of 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 3]. 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 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 4].

(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) as follows that can cause obvious damage to 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 its price without the Large-Scale Purchasers' serious intention of being involved in corporate management, then demanding that the Company or its related people buy these shares at a high price (the so-called "greenmailers").
 - (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 Companies to run operations, as well as assets, etc., of main trading partners and customers at a low price.
 - (iii) Act of appropriating the assets of the Companies to secure the debts or to be a source for repayment of the debts of the Large-Scale Purchasers or their group companies.
 - (iv) Act of taking temporary control of the company management, disposing of the Companies' real properties, securities, and other high-value assets without immediate relationship to the business of the 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 probability of undertaking 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 causing damage to 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 on 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 the Board of Directors of the Company to convene a General Meeting of Shareholders to take up an agenda item related to the implementation of this Plan thereto.

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

The Special Committee will recommend the Board of Directors of the Company not to implement this Plan when judging 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 new and different judgment, including on the implementation of this Plan, and give that 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., upon which the said judgment was premised.

(5) Resolution by the Board of Directors

The Board of Directors of the Company shall give 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 thereto. 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 must not

undertake 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 5], 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 below:

(a) Shareholders eligible for allotments

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 be from the date when three (3) weeks elapse since the effective date of the gratis allotment of the Stock Acquisition Rights to the date when six (6) months elapse since the above start 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.

(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 5] Procedures for Gratis Allotment of Stock Acquisition Rights (e) may exercise these Stock Acquisition Rights. Non-residents who are required to go through specified procedures under applicable laws at

home and overseas by exercising the Stock Acquisition Rights are in principle not eligible to exercise the Stock Acquisition Rights.

(g) Acquisition of the Stock Acquisition Right

- 1) The Company may acquire all the Stock Acquisition Rights without consideration on a date that falls within what the Board of Directors of the Company specifies as between the effective date of the gratis allotment of the Stock Acquisition Rights and the date when the Exercise Period of the Stock Acquisition Rights expires according to the decision of the Board of Directors of the Company in the event that the Board of Directors of the Company recognizes that it is appropriate for the Company to acquire the Stock Acquisition Rights.
- 2) On a date that the Board of Directors of the Company will separately specify, 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 in the number of applicable 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 performed the 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 related to 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 related to 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 this 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 revisions, establishments, etc., 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 Directors of the Company.

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

(1) This Plan complies with the Basic Policies

This Plan is a framework for enhancing 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 undertaken, under which the Board of Directors of the Company will have the Large-Scale Purchasers and the person who proposes the Large-Scale Purchase 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. In addition, 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 corporate officers of the Company

For the following reasons, the Company believes that 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 corporate officers of the Company in light of the Basic Policies.

- (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 can be regarded to incorporate 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 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 a Board of Directors Meeting or a General Meeting of Shareholders of the Company decides to implement this Plan and passes a resolution to issue the Stock Acquisition Rights through a gratis allocation of stock acquisition rights, the Board of Directors of the Company will decide and publicize the Allocation 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 institutions that handle the payment 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 a money 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.

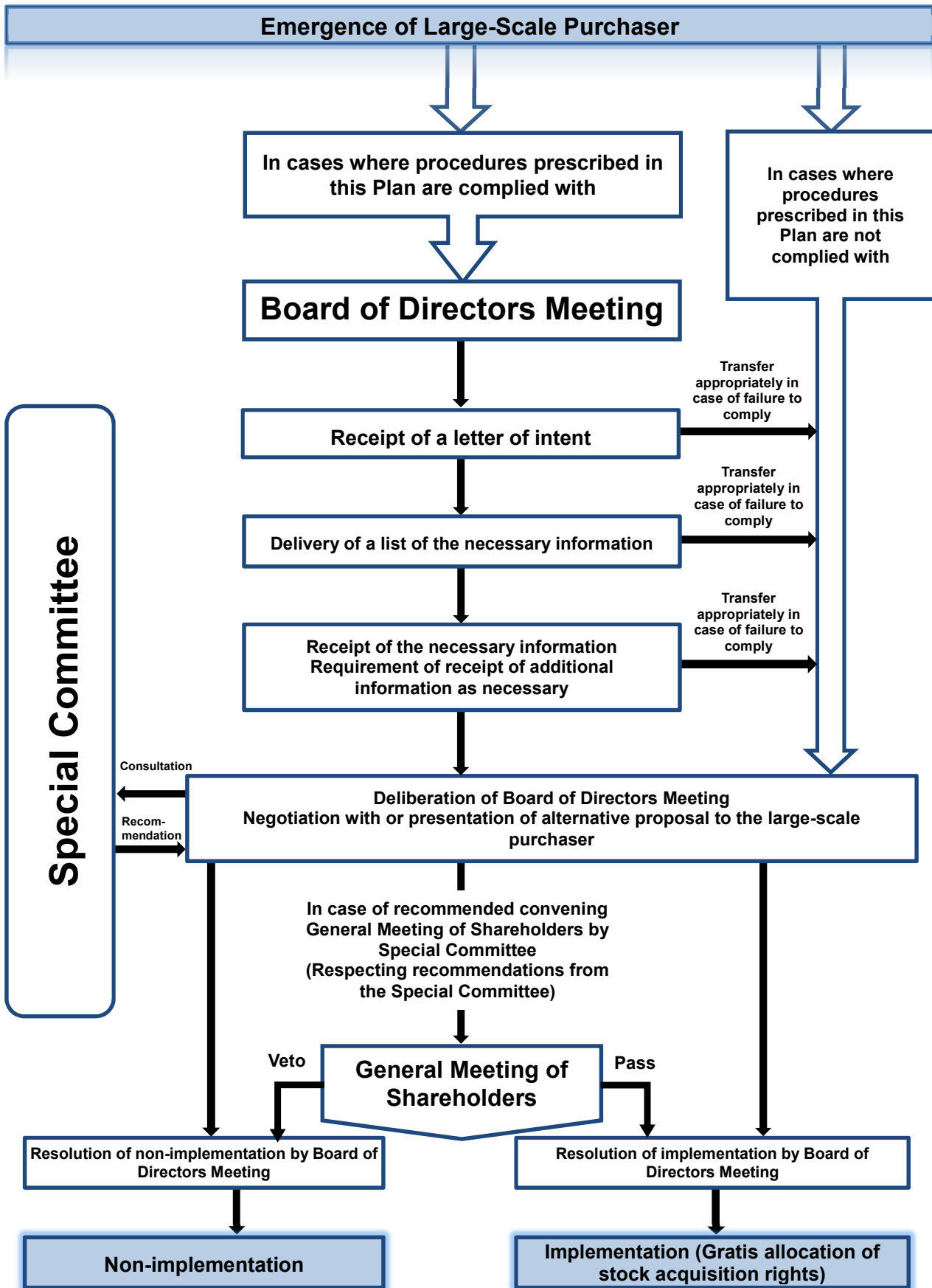
Criteria for Determining Joint or Concerted Actions

- * Determination shall be made with a comprehensive assessment of the subject entity (including its parent company, subsidiaries, and any other entities deemed 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 that the specific shareholder is acquiring or has acquired, and do the periods of acquisition or holding by the subject entity overlap with those of the specific shareholder with respect to the same shares or securities?
 6. During the overlapping period of provision 5 above, were the exercises of shareholder rights (voting or other governance 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 governance 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 governance 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 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 (voting rights or other governance rights) with respect to the Company align with that of that specific shareholder? Even if it is deemed to align, to what extent is such action 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 the words, actions, and other behaviors regarding 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



Note: This flowchart was created for easy understanding of the flow of procedures in this Plan after having simplified the content of the Plan. Please refer to the body of Proposal 4 for details of this Plan.

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 shall be resolved 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 to improve the corporate value of the Company and 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 the Board of Directors of the Company to 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 at 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 Rights 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 Rights 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 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 the Board of Directors agree to in advance" (Persons falling under 1) through 4) below 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 Rule 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 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.

Business Report

From April 1, 2025 to March 31, 2026

1. Status of the Business Group

(1) Status of business during the fiscal year under review

1) Business progress and results

During the fiscal year under review, the global economy faced uncertainty as concerns over an economic slowdown intensified amid rising uncertainty surrounding U.S. trade policy and heightened geopolitical risks stemming from unstable international conditions, including developments in the Middle East.

In the global gaming market, a core market for the Group, no significant impact was observed from U.S. trade policy or geopolitical risks, and demand from casino hotels and other customers in North America remained firm. Meanwhile, sales to the European market continued to be subdued due to the sense of economic slowdown in the region. In addition, in the domestic commercial market and the market for equipment for the amusement industry, the recoil from the special demand generated in the previous fiscal year by the issuance of new banknotes was greater than expected, and customers exhibited a cautious stance toward capital investment.

Under these conditions, in the global gaming market, we worked to expand sales of our mainstay products, such as bill validator units and printer units, supported by solid demand primarily in North America. At the same time, by providing highly profitable products and services, we sought to maximize the profitability of global gaming as a core business of the Group.

Meanwhile, in the international commercial market, inventory adjustments by major customers continued due to the impact of the economic slowdown, particularly in Europe. In North, Central, and South America, where we are actively working to develop new markets, the number of projects has been steadily increasing. However, their contribution to results for the fiscal year was limited and was not sufficient to offset the decline in sales in Europe.

In the domestic markets, the recoil from the special demand generated by the issuance of new banknotes had a significant impact, and in the amusement industry equipment market, the slower-than-expected adoption of smart gaming machines further weighed on performance. These factors caused net sales to fall well below the level of the previous fiscal year, resulting in varied progress in recovery and growth across business segments during the fiscal year.

As a result, net sales for the fiscal year under review totaled 31,557 million yen (down 16.6% YoY), operating profit was 2,497 million yen (down 49.1% YoY), and ordinary profit was 3,525 million yen (down 24.6% YoY), all falling below the levels of the previous fiscal year. In contrast, profit attributable to owners of parent was 4,692 million yen (up 23.1% YoY) due to a gain on the sale of non-current assets being recorded as extraordinary income in the second quarter.

During the fiscal year under review, the average exchange rates were 149.79 yen to the U.S. dollar (152.28 yen in the previous fiscal year) and 169.58 yen to the euro (164.45 yen in the previous fiscal year). Furthermore, the exchange rate on the final day of the fiscal year applied to market valuation at the end of the fiscal year was 159.93 yen per U.S. dollar (149.53 yen at the end of the previous fiscal year).

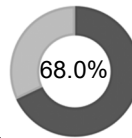
Net sales by segment were as follows.

(Millions of yen)

| Category | 72nd fiscal year From April 1, 2024 to March 31, 2025 | 73rd fiscal year (fiscal year under review) From April 1, 2025 to March 31, 2026 | Year-on-year change | Percentage change |
|---|---|--|---------------------|-------------------|
| Global Gaming | 21,477 | 21,471 | (5) | (0.0)% |
| International Commercial | 5,707 | 4,716 | (991) | (17.4)% |
| Domestic Commercial | 3,805 | 2,089 | (1,716) | (45.1)% |
| Equipment for the Amusement Industry | 6,824 | 3,278 | (3,545) | (52.0)% |
| Total | 37,815 | 31,557 | (6,258) | (16.6)% |

Global Gaming

Net sales composition



Net sales

21,471 million yen



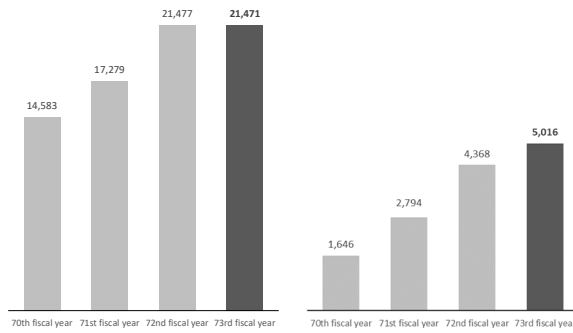
Segment profit

5,016 million yen



Net sales
(Millions of yen)

Segment profit

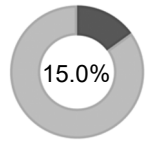


Supported by solid demand in North America, sales of bill validator units and printer units for installation in gaming machines increased. However, sales of these products in the European market declined, resulting in a slight decrease in segment sales. On the profit front, segment profit increased, supported by higher sales in North America, which is a core market for this segment.

(Note) Figures in parentheses indicate losses.

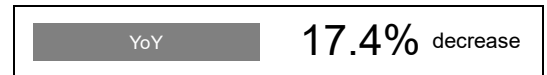
International Commercial

Net sales composition



Net sales

4,716 million yen



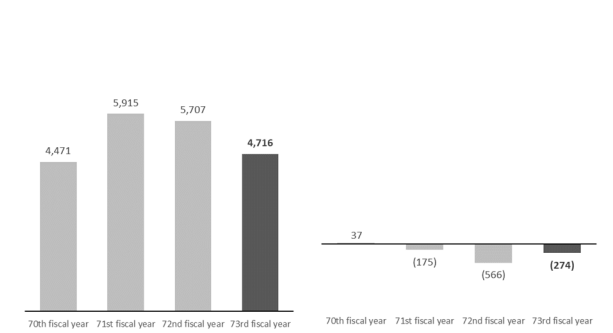
Segment profit

(274) million yen



Net sales
(Millions of yen)

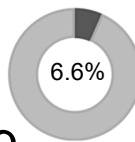
Segment profit



Segment sales declined, mainly due to lower sales of bill recycling units for the European market, which is a core product for this segment. On the profit front, supported by a modest but steady increase in sales to the North, Central, and South American markets, a partial improvement was seen in the segment loss.

Domestic Commercial

Net sales composition



Net sales **2,089** million yen

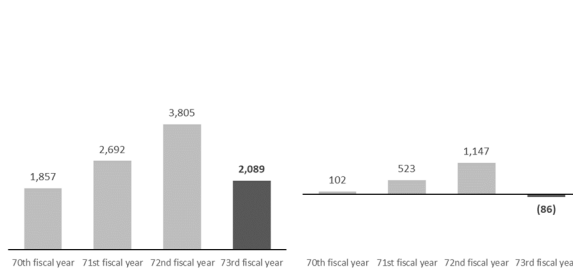


Segment profit **(86)** million yen



Net sales
(Millions of yen)

Segment profit

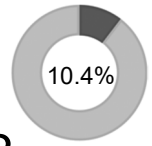


Due to lower sales of core products such as bill recycling units for the retail and transportation markets, both segment sales and segment profit declined.

(Note) Figures in parentheses indicate losses.

Equipment for the Amusement Industry

Net sales composition



Net sales **3,278** million yen

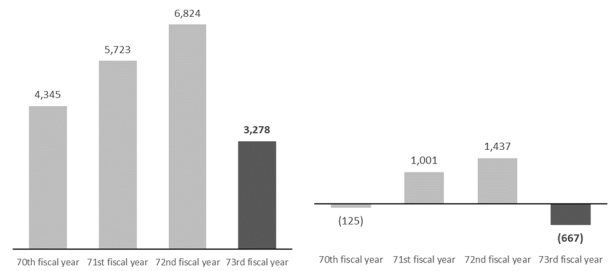


Segment profit **(667)** million yen



Net sales
(Millions of yen)

Segment profit



The slower-than-expected adoption of smart gaming machines led to a decrease in sales of dedicated smart gaming machine units and related peripheral devices. As a result, both segment sales and segment profit decreased.

2) Status of capital investment

The total amount of capital investment in the fiscal year under review was 1,247 million yen.

This was mainly attributable to 505 million yen for production molds.

3) Status of financing

Not applicable.

4) Status of transfer of business, absorption-type company splits and incorporation-type company splits

Not applicable.

5) Status of receipt of transfer of business of other companies

Not applicable.

6) Status of assumption of rights and obligations concerning businesses of other corporations, etc. due to absorption-type company mergers or absorption-type company splits

Not applicable.

7) Status of acquisition or disposal of other companies' shares, other holdings or share acquisition rights, etc.

Not applicable.

(2) Status of property and profits and losses

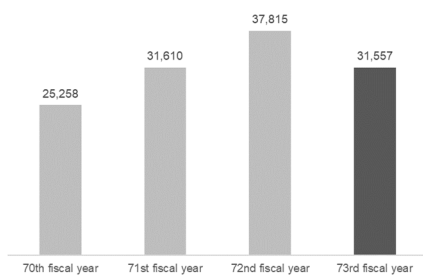
| Category | 70th fiscal year From April 1, 2022 to March 31, 2023 | 71st fiscal year From April 1, 2023 to March 31, 2024 | 72nd fiscal year From April 1, 2024 to March 31, 2025 | 73rd fiscal year (fiscal year under review) From April 1, 2025 to March 31, 2026 |
|--|---|---|---|--|
| Net sales (Millions of yen) | 25,258 | 31,610 | 37,815 | 31,557 |
| Ordinary profit (Millions of yen) | 1,267 | 3,568 | 4,676 | 3,525 |
| Profit attributable to owners of parent (Millions of yen) | 3,146 | 3,281 | 3,810 | 4,692 |
| Profit per share | 106.24 yen | 112.59 yen | 140.98 yen | 173.14 yen |
| Total assets (Millions of yen) | 38,816 | 47,698 | 49,385 | 52,222 |
| Net assets (Millions of yen) | 27,163 | 28,655 | 32,031 | 35,845 |

(Note) Profit per share is calculated based on the average number of issued shares during the period after deducting the number of treasury shares.

(Reference)

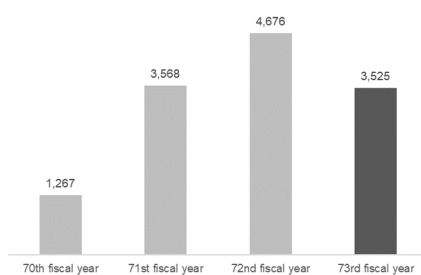
Net sales

(Millions of yen)



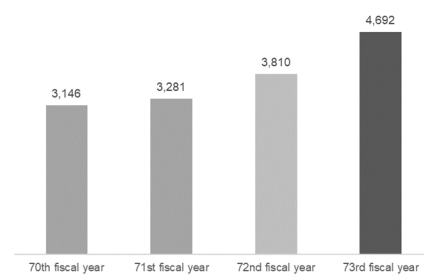
Ordinary profit

(Millions of yen)



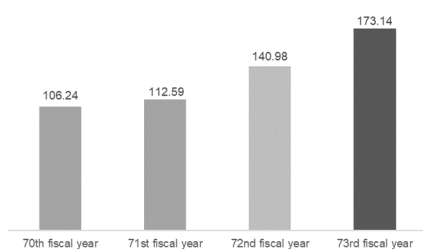
Profit attributable to owners of parent

(Millions of yen)



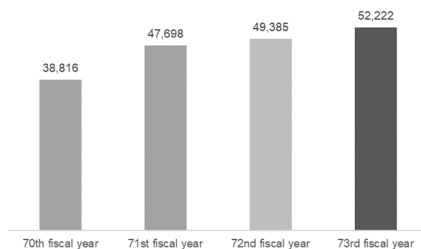
Profit per share

(Yen)



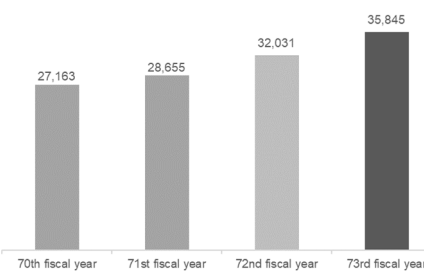
Total assets

(Millions of yen)



Net assets

(Millions of yen)



(3) Status of principal parent company and subsidiaries

1) Relationship with parent company

Not applicable.

2) Status of significant subsidiaries

| Company name | Share capital | Percentage of voting rights held by the Company | Principal businesses |
|--|----------------------|---|--|
| JCM SYSTEMS Co., LTD. | 100,000 thousand yen | 100.0 | Installation and maintenance of amusement industry equipment, etc. |
| JCM AMERICAN CORP. | 7,200 thousand USD | 100.0 | Sales of money-handling machines, etc. |
| JCM INNOVATION CORP. | 1 thousand USD | (100.0) | Management of the manufacturing and sale business of printer units |
| JCM COMMERCE MECHATRONICS, INC. | 500 thousand USD | 100.0 | Sales of money-handling machines, etc. |
| JCM COMERCIO MECATRONICA BRASIL LTDA | 8,400 thousand BRL | 100.0 | Sales of money-handling machines, etc. |
| JCM EUROPE GMBH. | 1,650 thousand EUR | 100.0 | Sales of money-handling machines, etc. |
| JCM EUROPE (UK) LTD. | 127 thousand GBP | (100.0) | Sales of money-handling machines, etc. Sales and repairs of printer units |
| J-CASH MACHINE (THAILAND) CO., LTD. | 5,000 thousand THB | 100.0 | Software development |
| J-CASH MACHINE GLOBAL MANUFACTURING (PHILIPPINES) INC. | 154,400 thousand PHP | 100.0 | Manufacture of money-handling machines, etc. |

- (Notes)
1. The Company had 14 subsidiaries including those listed above as of March 31, 2026.
 2. The figures in parentheses shown for the percentage of voting rights held by the Company indicate indirect holdings through the Company's subsidiaries.
 3. The Company transferred all shares of JCM Meiho Co., Ltd. on August 29, 2025. Therefore, it has been excluded from the above list.
 4. On July 24, 2024, the Company resolved to liquidate SHAFTY CO., LTD., and as of August 22, 2025, this liquidation has been completed. Therefore, it has been excluded from the above list.
 5. On November 8, 2024, the Company resolved to liquidate JCM GOLD (H.K.) LTD, and it is currently under liquidation procedures, so it is not included in the list of significant subsidiaries.

3) Other

Not applicable.

(4) Issues to be addressed

The business environment surrounding the Group remains uncertain, with continued geopolitical risks, including the escalating situation in the Middle East, likely to lead to instability in crude oil supply, higher energy prices, and rising component costs.

Under these conditions, the Group will continue to enhance corporate value over the medium to long term by flexibly responding to changes in the external environment, strengthening the earnings base of existing businesses, and allocating management resources to growth areas to optimize our business portfolio.

In the global gaming business, our core business, we will actively expand sales of core products and promote the provision of highly profitable products and services against a backdrop of continued firm demand centered in North America, aiming to maximize the earning power of the Group's main business.

In the commercial business, we will strive to expand our product lineup by proactively launching new products in both international and domestic markets, and focus our efforts on expanding our demand base and improving profitability.

In the international commercial market, we will continue to focus on the development of markets in North, Central, and South America, which we have been working on, while engaging in expansion into untapped Asian countries. In the domestic commercial market, we will continue to address existing demand in the retail, transportation, financial, and other sectors while pursuing development of new market domains, including clinics and other emerging segments.

Furthermore, by fully launching our new coin recycling unit in both domestic and international markets, we will broaden the scope of our product proposals, aiming to enhance our ability to meet customer needs and increase new sales opportunities.

Moreover, by receiving the transfer of the medium- and small-sized recycler / dispenser business from Fujitsu Frontech Limited, we will strengthen our product development capabilities and our product line up, enabling the expansion of our customer network and so forth, which should make a significant contribution to our active expansion of the commercial business in both international and domestic markets.

With regard to the expansion into the medical field on which we focus as a new business area, we will also work to cultivate a medium- to long-term growth driver by implementing measures such as continuous promotion of research and development toward commercialization in this field.

Meanwhile, for the business of equipment for the amusement industry, in light of structural changes in the amusement industry in recent years, we will explore all possible options, such as expansion into new business areas including a shift into other leisure markets.

In this business environment, the Group has formulated its new Medium-Term Management Plan "JCM Global Vision 2032 -Next Growth Stage-," which will finish in FY2028 (the fiscal year ending March 31, 2029).

Details of the plan can be found on the Company's website below, while the main management indicator values in the Medium-Term Management Plan are as follows:

The Company's website "Medium-Term Management Plan"

<https://www.jcm-hq.co.jp/ja/ir/management/strategy.html> (in Japanese)

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

We ask our shareholders for their ongoing support and encouragement for the Group.

(5) Principal businesses (As of March 31, 2026)

| Details of product, etc. | Purpose of use, etc. | Applicable segments | | | |
|--|---|---------------------|---|---|---|
| | | | | | |
| Bill validator units | These are used as bill intakes on gaming machines, checkout machines, etc. | • | • | • | |
| Bill recycling units | These are devices for receiving and paying out bills, temporarily storing bills that are received and paying them out as change (recycling), and are used in checkout machines, etc. | • | • | • | |
| Printer units | These are mainly used as ticket printers installed on gaming machines. | • | • | | |
| Coin recycling units | These are devices for receiving and paying out coins, temporarily storing coins that are received and paying them out as change (recycling), and are used in checkout machines, etc. | | • | • | |
| Deposit and withdrawal machines, change machines | These are used in locations such as supermarkets where cash is frequently exchanged with customers and accuracy and efficiency in cash management are required. | | • | • | |
| Self-service payment kiosks | These automate the settlement of medical fees and other charges at clinics, allowing for contactless payments and more efficient accounting operations. | | | • | |
| Automated cash collection system | These automate the collection of banknotes and management of cash assets at gaming facilities, with the aim of making collection and aggregation work more efficient and improving management accuracy. | • | | | |
| OEM terminals | These are products provided to other companies as an OEM. | • | • | • | |
| Dedicated smart game machine units | This device manages the lending of balls and electronic medals when players play on smart pachislot machines and smart pachinko machines at pachinko parlors. | | | | • |
| Automatic token supply system | These are devices for replenishing tokens in slot machines, etc. in pachinko parlors, and automatically collecting and cleaning overflowing tokens. | | | | • |
| Bill transport systems | This system transfers bills inserted by players into ball and token rental machines at pachinko parlors to a vault installed at the end of the pachinko machine row. | | | | • |

[Segment]

- Global Gaming
- Domestic Commercial
- International Commercial
- Equipment for the Amusement Industry

(6) Major sales offices and plants (As of March 31, 2026)

| Company name | Site name | Location |
|---|----------------|-----------------------|
| Japan Cash Machine Co., Ltd. (the Company) | Head Office | Naniwa-ku, Osaka City |
| | Tokyo Office | Minato-ku, Tokyo |
| | Nagahama Plant | Nagahama City, Shiga |
| JCM SYSTEMS Co., LTD. | Head Office | Hirano-ku, Osaka City |
| JCM AMERICAN CORP. | Head Office | Nevada, U.S.A. |
| JCM INNOVATION CORP. | Head Office | Nevada, U.S.A. |
| JCM COMMERCE MECHATRONICS, INC. | Head Office | Texas, U.S.A. |
| JCM COMERCIO MECATRONICA BRASIL LTDA | Head Office | Sao Paulo, Brazil |
| JCM EUROPE GMBH. | Head Office | Dusseldorf, Germany |
| JCM EUROPE (UK) LTD. | Head Office | Milton Keynes, U.K. |
| J-CASH MACHINE (THAILAND) CO., LTD. | Head Office | Bangkok, Thailand |
| J-CASH MACHINE GLOBAL MANUFACTURING (PHILIPPINES) INC. | Head Office | Laguna, Philippines |

- (Notes)
1. The registered head office of JCM SYSTEMS Co., LTD. is in Naniwa-ku, Osaka City.
 2. The Company transferred all shares of JCM Meiho Co., Ltd. on August 29, 2025. Therefore, it has been excluded from the above list.
 3. On July 24, 2024, the Company resolved to liquidate SHAFTY CO., LTD., and as of August 22, 2025, this liquidation has been completed. Therefore, it has been excluded from the above list.
 4. On November 8, 2024, the Company resolved to liquidate JCM GOLD (H.K.) LTD, and it is currently under liquidation procedures, so it is not included in the list of significant subsidiaries.

(7) Status of employees (As of March 31, 2026)

1) Status of employees of the business group

| Number of employees | Change from the end of previous fiscal year |
|---------------------|---|
| 572 | Increased by 2 |

- (Notes) 1. These figures do not include 111 contract employees (average during the period).
2. The employees are not classified by business segment due to the difficulty in grouping them.

2) Status of the Company's employees

| Number of employees | Change from the end of previous fiscal year | Average age | Average years of service |
|---------------------|---|----------------|--------------------------|
| 271 | Increased by 3 | 43.1 years old | 15.8 years |

- (Note) These figures do not include 45 temporary employees and 64 contract employees (average during the period).

(8) Status of principal lenders (As of March 31, 2026)

| Lender | Borrowings (millions of yen) |
|-------------------------------------|------------------------------|
| Sumitomo Mitsui Banking Corporation | 1,650 |
| Sumitomo Mitsui Trust Bank, Limited | 940 |
| The Nanto Bank, Ltd. | 530 |

- (Note) In addition to the above borrowing amount, there are outstanding private placement bonds (corporate bonds) as follows.

Resona Bank, Limited: 6,000 million yen

(9) Other significant matters concerning the current status of the business group

Not applicable.

2. Current Status of the Company

(1) Status of shares (As of March 31, 2026)

- 1) Total number of authorized shares 118,000,000 shares
- 2) Total number of issued shares 29,672,651 shares
- 3) Number of shareholders 25,304

4) Major shareholders (top ten)

| Shareholder name | Number of shares held | Percentage of shares held |
|---|-----------------------|---------------------------|
| 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 |

- (Notes) 1. Although the Company holds 2,547,614 treasury shares, they are excluded from the list of major shareholders above.
2. The percentage of shares held has been calculated by deducting treasury shares.

5) Status of shares delivered to the Company's officers as consideration for the execution of duties during the fiscal year under review

| | Number of shares | Number of directors eligible for delivery |
|---|------------------|---|
| Directors (excluding Directors who reside overseas, Directors who are Audit & Supervisory Committee Members, and Outside Directors) | 22,000 | 4 |

(2) Status of share acquisition rights, etc.

1) Status of share acquisition rights held by the Company's officers that are granted as consideration for the execution of duties (as of March 31, 2026)

Not applicable.

2) Status of share acquisition rights granted to employees, etc. as consideration for the execution of duties during the fiscal year under review

Not applicable.

3) Other significant matters concerning share acquisition rights, etc.

Not applicable.

(3) Status of the Company's officers

1) Status of Directors (as of March 31, 2026)

| Position in the Company | Name | Responsibilities and significant concurrent positions outside the Company |
|---|----------------------|---|
| President and Representative Director | Yojiro Kamihigashi | Representative Director of Johto Investment and Development Inc. |
| Executive Director | Tsuyoshi Takagaki | Senior Executive Officer and Executive General Manager of Corporate Planning Division |
| Director | Yoshihiro Iuchi | Senior Executive Officer, Executive General Manager of Global Strategy Division, and in charge of Sales |
| Director | Norihito Nakatani | Senior Executive Officer, Executive General Manager of Production Division, and in charge of Production |
| Director | Takatomo Imai | Senior Executive Officer, Representative Director of JCM AMERICAN CORP., Deputy Executive General Manager of Corporate Planning Division, Deputy Executive General Manager of Global Strategy Division, and in charge of Global Finance |
| Outside Director | Koji Yoshikawa | Attorney (Baba Law Firm) |
| Outside Director | Tatsuhiko Saruwatari | |
| Director (Full-time Audit & Supervisory Committee Member) | Michimasa Teraoka | |
| Outside Director (Audit & Supervisory Committee Member) | Yoko Sato | 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. |
| Outside Director (Audit & Supervisory Committee Member) | Hiroki Yonekura | Attorney (Kitahama Partners) Director of Kinki Federation of Bar Associations |

- (Notes)
- As of April 1, 2026, Tsuyoshi Takagaki was appointed as Representative Director and Senior Executive Director, and Yoshihiro Iuchi, Norihito Nakatani and Takatomo Imai were appointed as Executive Directors.
 - Directors Koji Yoshikawa and Tatsuhiko Saruwatari, as well as Directors who are Audit & Supervisory Committee Members Yoko Sato and Hiroki Yonekura, are Outside Directors as defined in Article 2, item (xv) of the Companies Act.
 - To enhance the collection of information, strengthen collaboration with the Financial Auditor and Internal Audit Department, improve audit effectiveness, and reinforce audit and supervisory functions, the Company has appointed Michimasa Teraoka as a full-time Audit & Supervisory Committee Member.
 - Director Yoko Sato, who is an Audit & Supervisory Committee Member, is qualified as a certified public accountant, and has considerable knowledge of finance and accounting.
 - Director Hiroki Yonekura, who is an Audit & Supervisory Committee Member, is qualified as a lawyer in both Japan and the United States and possesses extensive knowledge, including international experience.

6. The Company has designated Directors Koji Yoshikawa, Tatsuhiko Saruwatari, and Directors who are Audit & Supervisory Committee Members Yoko Sato and Hiroki Yonekura, as Independent Directors as defined by the Tokyo Stock Exchange and has submitted the relevant notification to the Exchange.
7. The Company has introduced an executive officer system to rejuvenate the Board of Directors by separating decision making and supervision from execution. There are 12 Executive Officers and the following 8 Executive Officers do not concurrently serve as Directors.

| Name | Principal responsibilities |
|-------------------|--|
| Yasuyuki Fujiwara | Senior Executive Officer and Representative Director of J-CASH MACHINE (THAILAND) CO., LTD., Executive General Manager of R&D Division, and in charge of Development |
| Makoto Hasegawa | Executive Officer, Representative Director of JCM COMMERCE MECHATRONICS INC. |
| Noriyuki Kanno | Executive Officer, and in charge of New Business Development Department and LS Sales Department, Global Strategy Division |
| Masato Onomura | Executive Officer and Deputy Executive General Manager of Production Division |
| Yuji Kanzaki | Executive Officer, Representative Director of J-CASH MACHINE GLOBAL MANUFACTURING (PHILIPPINES) INC. |
| Osamu Hishinuma | Executive Officer, Deputy Executive General Manager of Global Strategy Division |
| Takayuki Takeda | Executive Officer, Executive General Manager of Quality Division, and in charge of Quality |
| Tetsuya Tomiyoshi | Executive Officer, Deputy Executive General Manager of R&D Division |

2) Directors who retired or resigned during the fiscal year under review

Not applicable.

3) Summary of details, etc. of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The scope of the insured under the insurance policy includes the Company's officers (Directors) and domestic and overseas subsidiaries' officers (Directors and Audit & Supervisory Board Members, etc.), and the insured does not bear the cost of insurance premiums. The insurance policy will cover damages incurred by the insured (compensation for damages and litigation expenses (attorneys' fees, etc.) incurred as an individual.) However, in order to ensure that the insured's fitness for duty is not impaired, certain exclusions apply, such as not covering damages caused by criminal acts by the insured or damages caused by acts committed with knowledge that the acts are in violation of the laws and regulations.

4) Remuneration, etc. of Directors

(i) Policy on determination of the content of remuneration, etc. of Directors

In addition, at the meeting of the Board of Directors held on June 25, 2024, the Company resolved and established the policy on determination of the content of remuneration, etc. for individual Directors (excluding Directors who are Audit & Supervisory Committee Members). To pass the resolution, the Board of Directors consulted the Nomination and Remuneration Advisory Committee about the content in advance, and received its recommendations.

Furthermore, with regard to the remuneration, etc. for individual Directors (excluding Directors who are Audit & Supervisory Committee Members) for the fiscal year under review, the Board of Directors confirmed that the method of determining the content of remuneration, etc. and the consistency of the

content of the determined remuneration, etc., with the basic policy concerning a decision resolved by the Board of Directors. In addition, the Board of Directors confirmed that the recommendations of the Nomination and Remuneration Advisory Committee are respected to the maximum extent, and they are aligned with said policy.

The content of the basic policy, etc., on the determination of the content of remuneration, etc., for individual Directors (excluding Directors who are Audit & Supervisory Committee Members) is as follows.

Basic Policy

The remuneration system shall clarify the commitment to the steady execution of growth strategy, while functioning as sound incentives aimed at improving short-term business performance, as well as medium- to long-term and sustainable corporate value. Also, the remuneration system shall incorporate perspectives of valuing shareholders with whom the Company shall share profit awareness.

The remuneration for the Company's Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) shall be made up of basic remuneration, bonuses that are short-term performance-linked remuneration, and share-based remuneration that is medium- to long-term performance-linked remuneration.

The basic remuneration shall be a fixed remuneration paid monthly according to the position, reflecting the performance evaluation of each officer within a certain range.

The bonuses shall be performance-linked remuneration paid annually based on the level of achievement of the target of profit attributable to owners of parent set out each fiscal year in addition to qualitative elements, such as strengthening a management foundation. The bonuses shall be paid on the day immediately following the date the Ordinary General Meeting of Shareholders is held, which coincides with the yearly expiry of the term of office.

The share-based remuneration shall be the issuance of the Company's common stock with a specified transfer restriction period to the Directors, excluding Outside Directors and Directors who are Audit & Supervisory Committee Members, depending on their positions, to provide an incentive to achieve sustainable enhancement of the Company's and shareholders' values over medium- to long-term.

The remuneration for Outside Directors and Directors who are Audit & Supervisory Committee Members shall be basic remuneration only, and remuneration for Directors who are Audit & Supervisory Committee Members shall be determined through discussions by the Directors who are Audit & Supervisory Committee Members within the range approved by the Ordinary General Meeting of Shareholders.

(Summary, etc. of composition and method of calculation of remuneration)

| Type of remuneration, etc. | | Key performance indicator (KPI) | Method of calculation, etc. | Summary of calculation method |
|----------------------------|---|---|--|--|
| Monetary remuneration | Fixed | - | Remuneration amount | [Basic remuneration limit] The limit on basic remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be within 270 million yen per year (among this amount, within 40 million yen for Outside Directors; including short-term performance-linked remuneration) (not including employee wages). |
| | Basic remuneration | | Method of calculation of amount paid to eligible Directors | [Per person] Monthly individual remuneration payment amount shall be calculated using an amount of 1,500,000 yen per month as a base, multiplied by the following coefficient. (i) Directors Within the range of 100-130% of the base amount of basic remuneration according to evaluation. (ii) Senior Directors (Chairman, President, Executive Director) Within the range of 150-250% of the base amount of basic remuneration according to position, evaluation and results. |
| Monetary remuneration | Variable | Profit attributable to owners of parent | Remuneration amount | [Remuneration amount] Within the general range of 30-40% of the amount of fixed basic remuneration. |
| | | | Payment conditions | Paid when a profit is recorded each fiscal year, and not paid when a loss is recorded. |
| | | | Method of calculation of amount paid to eligible Directors | [Maximum total amount paid] The basic index is set within the range of 1-2% of profit attributable to owners of parent, and it is decided based on the achievement level of the operating profit target for a single fiscal year, the rate of increase in market capitalization and other factors. (Note 2) [Individual distribution] Based on the individual's percentage of the total amount of fixed basic remuneration according to the evaluation of the level of contribution to earnings performance, and calculated within the range of ±30%. |
| Non-monetary | Medium- to long-term performance-linked remuneration (Note 1) (Restricted share-based remuneration) | - | Remuneration amount | [Remuneration limit] Within 70 million yen per year |
| | | | Method of calculation of amount paid to eligible Directors | [Maximum total amount paid] Equivalent to around 10% of the amount of fixed basic remuneration. The Company's common shares with restrictions on transfer for a fixed period are provided according to position. |

- (Notes) 1. Directors excluding Outside Directors and Directors who are Audit & Supervisory Committee Members are eligible for short-term performance-linked remuneration and medium- to long-term performance-linked remuneration.
2. The reason for selecting the index for short-term performance-linked remuneration is that the

Company has determined that it is appropriate as an index to increase the linkage between directors' compensation and business performance, etc. and to share a profit mindset with shareholders. Actual results related to this indicator are shown in the Consolidated Statements of Income.

(Matters regarding remuneration for Directors resolved by the General Meeting of Shareholders)

The limit on remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) was resolved to be within 270 million yen per year (not including employee salaries) at the 71st Ordinary General Meeting of Shareholders held on June 25, 2024 (the number of those who are eligible at the time of the conclusion of the General Meeting of Shareholders was seven (7)), of which the maximum amount of remuneration for Outside Directors is 40 million yen per year.

Furthermore, a separate framework was also resolved at the 71st Ordinary General Meeting of Shareholders held on June 25, 2024 (the number of those who are eligible at the time of the conclusion of the General Meeting of Shareholders was five (5)) to limit the amount of remuneration for the restricted share-based remuneration plan for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) to within 70 million yen per year. The limit on remuneration for Directors who are Audit & Supervisory Committee Members was also resolved to be within 60 million yen per year in the 71st Ordinary General Meeting of Shareholders held on June 25, 2024 (the number of those who are eligible at the time of the conclusion of the General Meeting of Shareholders was three (3)).

(ii) Total amount of remuneration, etc. for the fiscal year under review

| Category | Number of recipients | Total amount of remuneration, etc. (millions of yen) | Total amount of remuneration, etc. by type | | |
|---|----------------------|--|--|---------------------------------|---|
| | | | Basic remuneration (millions of yen) | Performance-linked remuneration | Restricted share-based remuneration (millions of yen) |
| | | | | Bonuses (millions of yen) | |
| Directors (excluding Audit & Supervisory Committee Members) (Outside Directors included therein) | 7 (2) | 226 (18) | 160 (18) | 46 (-) | 20 (-) |
| Directors (Audit & Supervisory Committee Members) (Outside Directors included therein) | 3 (2) | 36 (18) | 36 (18) | - (-) | - (-) |
| Total (Outside Directors included therein) | 10 (4) | 262 (36) | 196 (36) | 46 (-) | 20 (-) |

(Notes) 1. The total amount of remuneration, etc., for Directors does not include the employee salary for employees who concurrently serve as a Director.

2. The payment of bonuses to five (5) Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) was resolved at the meeting of the Board of Directors held on May 21, 2026, after consulting with the Nomination and Remuneration Advisory Committee and receiving its advice.

5) Matters concerning Outside Officers

(i) Status of significant positions concurrently held in other corporations, etc. and relationships with other corporations

- Outside Director Koji Yoshikawa is an attorney belonging to Baba Law Firm, but there is no special relationship between the Company and Baba Law Firm.
- Outside Director Yoko Sato, who is an Audit & Supervisory Committee Member, is a certified public accountant (Representative) of Yoko Sato Certified Public Accountant Office, but there is no special relationship between the Company and Yoko Sato Certified Public Accountant Office. Furthermore, she also concurrently serves as an Outside Director of TOCALO Co., Ltd. and Sanyo Electric Railway Co., Ltd., but there are no special relationships between the Company and these companies.
- Outside Director Hiroki Yonekura, who is an Audit & Supervisory Committee Member, is an Attorney belonging to Kitahama Partners, with which the Company has entered into an advisory contract. He also serves as a Director of Kinki Federation of Bar Associations, but there is no special relationship between the Company and Kinki Federation of Bar Associations.

(ii) Status of major activities during the fiscal year under review

a. Status of attendance at Board of Directors and Audit & Supervisory Committee

| Name, etc. | Board of Directors | | Audit & Supervisory Committee | |
|---|-----------------------------|----------------|-------------------------------|----------------|
| | Number of meetings attended | Attendance (%) | Number of meetings attended | Attendance (%) |
| Outside Director Koji Yoshikawa | 18 out of 18 meetings | 100.0 | - | - |
| Outside Director Tatsuhiko Saruwatari | 17 out of 18 meetings | 94.4 | - | - |
| Outside Director (Audit & Supervisory Committee Member) Yoko Sato | 18 out of 18 meetings | 100.0 | 14 out of 14 meetings | 100.0 |
| Outside Director (Audit & Supervisory Committee Member) Hiroki Yonekura | 17 out of 18 meetings | 94.4 | 13 out of 14 meetings | 92.9 |

- b. Status of comments in Board of Directors Meetings and Audit & Supervisory Committee Meetings
- Outside Director Koji Yoshikawa provides objective and appropriate advice and suggestions as needed based on his advanced specialized knowledge developed over many years as a prosecutor and attorney.
 - Outside Director Tatsuhiko Saruwatari provides objective and appropriate advice and suggestions as needed based on his abundant experience and extensive insight into corporate management as an officer of a listed company for many years.
 - Outside Director Yoko Sato, who is an Audit & Supervisory Committee Member, expresses fair and neutral opinions, and provides advice and suggestions to ensure the appropriateness of decision-making and the soundness of corporate management, based on her specialized viewpoint as a certified public accountant.
 - Outside Director Hiroki Yonekura, who is an Audit & Supervisory Committee Member, expresses fair and neutral opinions, and provides advice and suggestions to ensure the appropriateness of decision-making and the legality of the execution of duties of Directors, based on his specialized viewpoint as an attorney.

c. Summary of duties performed in relation to roles expected as Outside Directors

- Koji Yoshikawa

Koji Yoshikawa is expected to provide objective and appropriate advice based on his experience and expert knowledge as a legal professional.

Since he was appointed as Outside Director in June 2014, he has provided specific advice and proposals for specific procedures, such as corporate management decisions with a mind to strengthening compliance and risk management, which is essential for business operation in the gaming market that requires thorough legal compliance, as well as, on the establishment of internal systems, and the implementation of preventative measures.

- Tatsuhiko Saruwatari

Tatsuhiko Saruwatari is expected to provide advice and suggestions on the Company's corporate management based on his abundant experience as an executive of a listed company and extensive insight, especially into engineering areas.

Since he was appointed as Outside Director in June 2020, not only has he attended meetings of the Board of Directors, but he also has been contributing to many projects by providing advice as necessary on decisions about individual projects in engineering, development, and quality aspects as these are his areas of expertise.

- Yoko Sato

Yoko Sato possesses extensive audit experience as a certified public accountant and expert knowledge in finance and accounting, and has also provided audits, advice, and recommendations regarding the execution of duties by Directors from an objective and professional standpoint as an Outside Audit & Supervisory Board Member of the Company. We expect that she will apply this expertise to her role in auditing and supervising business execution.

Since her appointment as Outside Director in June 2024, she has provided advice and recommendations from a financial and accounting expert perspective to help ensure the appropriateness and validity of the Board of Directors' decision-making. She also participates in

Audit & Supervisory Committee meetings, fulfilling a supervisory role from an objective and neutral standpoint.

- Hiroki Yonekura

Hiroki Yonekura possesses extensive knowledge, including international experience as a lawyer, and we expect him to leverage this knowledge and experience to help ensure the healthy management of the Company as it aims to further expand overseas, to strengthen our compliance framework, and to enhance audit and supervisory functions over business execution.

Since his appointment as Outside Director in June 2024, he has utilized his extensive legal experience and expertise to provide advice and recommendations from the perspective of compliance and corporate governance. He also participates in Audit & Supervisory Committee meetings, fulfilling a supervisory role from an objective and neutral standpoint.

- Common matters to all four persons

All persons have contributed to making the management system more transparent and sound in actively involving in shaping opinions to nominate Directors and determine remuneration as the members of the Nomination and Remuneration Advisory Committee established on January 27, 2021, aimed at further enhancing corporate governance.

In addition, Tatsuhiko Saruwatari chairs the committee.

(iii) Summary of limited liability agreements

Pursuant to the provision of Article 427, paragraph (1) of the Companies Act, the Company and each Outside Director have entered into an agreement limiting liability for damages specified in Article 423, paragraph (1) of the same Act.

The limit on liability for damages pursuant to the agreement is the higher amount of either ten million yen or the minimum limit on liability specified in Article 425, paragraph (1) of the Companies Act.

(4) Status of Financial Auditor

1) Name Ernst & Young ShinNihon LLC

2) Amount of remuneration, etc.

| Category | Payment amount (millions of yen) |
|---|----------------------------------|
| Amount of remuneration, etc. as Financial Auditor for the fiscal year under review | 50 |
| Total amount of cash and other economic benefit to be paid by the Company and its subsidiaries to the Financial Auditor | 50 |

- (Notes) 1. JCM AMERICAN CORP., JCM EUROPE GMBH., and J-CASH MACHINE GLOBAL MANUFACTURING (PHILIPPINES) INC. are subject to audits (limited to those pursuant to the provisions of the Companies Act or the Financial Instruments and Exchange Act (including laws and regulations of foreign countries equivalent to these acts)) by certified public accountants or audit firms (including persons with qualifications equivalent to these qualifications in a foreign country) other than the Company's Financial Auditor.
2. The audit agreement concluded between the Company and the Financial Auditor does not clearly separate and cannot effectively separate the amounts of audit remuneration, etc., for audits performed pursuant to the Companies Act from audits performed pursuant to the Financial Instruments and Exchange Act. Therefore, the total amount of these amounts of remuneration, etc., for the fiscal year under review is stated.
3. The Company's Audit & Supervisory Committee has confirmed and examined the analysis and evaluation of audit results for the previous fiscal year, as well as the audit time and staff assignment plans in the audit plan, in addition to the execution of duties of the Financial Auditor, and the appropriateness of remuneration estimates based on the "Guidelines for Coordination with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association. Based on such examination, the Company's Audit & Supervisory Committee gave consent to the remuneration of the Financial Auditor as stipulated in Article 399, paragraph (1) of the Companies Act.

3) Content of non-auditing operations

Not applicable.

4) Policies for determination of dismissal or refusal of reappointment of Financial Auditor

The Audit & Supervisory Committee will determine the details of a proposal on the dismissal or refusal of reappointment of the Financial Auditor submitted to the General Meeting of Shareholders as deemed necessary by the Audit & Supervisory Committee when the execution of the duties of the Financial Auditor is disrupted.

Furthermore, the Audit & Supervisory Committee will dismiss the Financial Auditor given the consent of all Audit & Supervisory Committee Members if the Financial Auditor is found to fall under any of the items of Article 340, paragraph (1) of the Companies Act. In such a case, an Audit & Supervisory Committee Member selected by the Audit & Supervisory Committee will report that the Financial Auditor has been dismissed and the reason for the dismissal at the first General Meeting of Shareholders convened after such a dismissal.

5) Summary of limited liability agreements

Not applicable.

6) Matters concerning disposition in the event that the Financial Auditor has been subject to a suspension order in the past two years

Not applicable.

(5) Policy on determination of dividends of surplus

The Group's basic policy on the distribution of profit is to strike a balance between increasing dividend payment amount as a result of a profit increase through the realization of growth strategies and returning a profit to shareholders through the payment of stable dividends. The Company has decided a consolidated dividend payout ratio of 30% or more by taking into account the ratio of dividends to net assets.

As a result, the year-end dividend for the fiscal year under review was set at 20 yen per share in line with the forecast, and including the interim dividend of 20 yen per share, the annual dividend for the fiscal year under review was 40 yen per share.

In addition, as gain on sale of non-current assets of 3,277 million yen was recorded as extraordinary income during the fiscal year under review, the consolidated dividend payout ratio and the ratio of dividends to net assets were 23.1% and 3.2%, respectively.

Previously, the Company had decided on determining returns to shareholders with "a minimum consolidated dividend payout ratio of 30% as the basis and with the ratio of dividends to net assets in mind." However, in accordance with the Medium-Term Management Plan and in our efforts to increase its earnings, we have changed the dividend policy going forward to "a consolidated dividend payout ratio of 50% or higher" to further enhance the return of profits to shareholders.

(6) Basic policy on control of the Company

1) Summary of the content of the basic policy

The Company understands the people controlling the determination of the policies on the Company's finance and business must understand the source of the Company's corporate value, and should be able to enhance the Company's corporate value so as to enable to continuously and sustainably ensure and enhance shareholders' common interests.

The Company does not deny a large purchase of shares if such a purchase would enhance the Company's value and thus contribute to shareholders' common interests. Furthermore, a decision on whether or not to respond to such a proposal of purchasing a large volume of shares that accompanies a transfer of the control of the Company should be made with the general consensus of shareholders. However, many purchases of a large quantity of shares do not benefit targeted companies in enhancing corporate value and thus the common interests of shareholders, and such purchases often include those that clearly bring about harm to the companies to enhance their corporate value and thus the common interests of shareholders because the purposes of the purchase are to acquire only a specific area of business, assets, technologies, or knowhow, those that may effectively coerce the sale of shares by shareholders, those that do not set aside an adequate time or information for the board of directors of the target company to make an alternative proposal when the board of directors or general shareholders of the target company deliberate on the large purchase of shares, and those requiring the target company to negotiate with the purchaser to agree on more favorable conditions than those presented by the purchaser.

The source of the Group's corporate value lies in promoting the development, manufacture, and sale of equipment capable of reducing the labor required for processing money for every market worldwide on a broader scale. Such a promotion is possible through the practical implementation of core research and technological development with an eye set on the future, against the backdrop of a stable financial foundation and technological capability of money processing centered on the validation and transportation of bills that the Company has developed over many years.

A person who conducts a purchase of a large quantity of shares without understanding the source of the Company's corporate value, and does not contribute to the enhancement of corporate value and thus the common interests of shareholders, is inappropriate as a person to have control over the determination of policies on the Company's finance and business, and the Company believes it is necessary to put in place necessary and appropriate measures against such a purchase in order to enhance the Company's corporate value and thus secure the common interests of shareholders.

2) Summary of special initiatives contributing to the realization of the basic policy

The Company has been developing unique businesses as a group that entails the development, manufacture, and sale of equipment capable of reducing the labor required for processing money for every market worldwide on a broader scale, against the backdrop of a stable financial foundation and technological capability of money processing centered on the validation and transportation of bills that the Company has developed since its establishment.

With the unique nature of the businesses, the Company aims to contribute to the development of the economy and society, as well as the creation of a social environment and security system that meet the needs of the time and will ensure the broader recognition and penetration of the Company's products, which boast high quality and high performance, in the markets and various fields.

Furthermore, up until now, the Company had been determining the return of profits to shareholders with "a minimum consolidated dividend payout ratio of 30% as the basis and with the ratio of dividends to net assets in mind." However, in accordance with the Medium-Term Management Plan and in our efforts to increase its earnings, we have changed the dividend policy going forward to "a consolidated dividend payout ratio of 50% or higher" to further enhance the return of profits to shareholders.

3) Summary of initiatives to prevent the Company's policy on finance and business being controlled by an inappropriate person in light of the basic policy

The Company received shareholders' approval of the current measures on large purchases of the Company's shares (hereinafter referred to as "the Plan") at the 70th Ordinary General Meeting of Shareholders held on June 27, 2023. The specific details are as follows.

- (i) The Company shall request a purchaser, etc. purchasing a holding of 20% or more of the Company's shares to submit a letter of intent prior to the implementation of the purchase, and to provide the information required for shareholders to make a decision and the Company's Board of Directors to form an opinion no later than ten business days after receipt of the letter of intent.
- (ii) The Company's Board of Directors shall establish an evaluation period of 60 days or 90 days as needed as a grace period for evaluating and examining the information provided, negotiating with the purchaser, etc., forming opinions on the purchase and alternative proposals.
- (iii) The Company's Board of Directors shall evaluate and examine the content of the purchase, conduct consultations and negotiations with the purchaser, etc., and present an alternative proposal to shareholders during the above evaluation period. If a decision on whether or not to carry out the Plan is not made during the evaluation period, the evaluation period may be extended by up to 30 days (the first day is not included).
- (iv) The Company's Board of Directors shall establish a special committee to ensure the objectivity and rationality of its decision, and make a final decision with maximum respect for its recommendations. If the special committee recommends the convocation of a General Meeting of Shareholders on the execution of the Plan, a General Meeting of Shareholders will be convened in the shortest period possible, and a proposal on the execution of the Plan shall be submitted.

- (v) If the Plan is carried out, the Company shall adopt the method of allotment of share acquisition rights without contribution, and allot the share acquisition rights to shareholders recorded in the final shareholder registry on the record date specified by the Company's Board of Directors at a ratio of at least one right per share held.
- (vi) After the allotment of share acquisition rights, the Company shall acquire all unexercised share acquisition rights held by persons other than non-qualified persons such as those designated as large shareholders, and shall grant one of the Company's common shares per share acquisition right in exchange.

4) Judgment of the Company's Board of Directors on the above initiative and reasons therefor

The Plan was formulated as a specific measure to enhance the Company's corporate value, thereby achieving the continuous and sustained enhancement of the common interests of shareholders, and if a purchase of a large quantity of the Company's shares is conducted, the Plan will allow the Company to have negotiations, etc., with the purchaser, etc., in order to ensure the enhancement of the Company's corporate value and thus the common interests of shareholders and contribute to the realization of the basic policy on control of the company.

Furthermore, this Plan does not harm the common interests of the Company's shareholders and is not for the purpose of maintaining the status of the Company's officers owing to the following reasons: i. this Plan completely satisfies the requirements of the Guidelines on Takeover Defense Measures; ii. this Plan prioritizes the will of shareholders (although the Effective Period is until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2026, the Guidelines on Takeover Defense Measures may be abolished based on the intentions of shareholders prior to the expiration of the Effective Period); iii. this Plan stipulates reasonable and objective Trigger Events; iv. This Plan stipulates the establishment of a Special Committee; and v. The takeover defense measures are not a dead-hand and slow-hand takeover defense measure.

Note that the effective period of the Plan will expire at the conclusion of this Ordinary General Meeting of Shareholders. The Company has decided to continue the Plan subject to the approval of shareholders at this Ordinary General Meeting of Shareholders. For details, please refer to Proposal 4 in the Reference Documents for the General Meeting of Shareholders.

Presentation of the Business Report

The methods of presentation of the amounts, percentages, and numbers of shares in the Business Report are as follows.

1. Amounts less than one million yen are rounded down.
2. The percentage change of net sales and profit, the percentage of voting rights held by the Company in significant subsidiaries, the average age and average years of service of employees, and the attendance rate of Directors (including Directors who are Audit & Supervisory Committee Members) at meetings of the Board of Directors and Audit & Supervisory Committee are rounded to one decimal place, and the percentage of share held by major shareholders is rounded to the nearest two decimal places.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of March 31, 2026)

(Thousands of yen)

| Item | Amount | Item | Amount |
|--|-------------------|--|-------------------|
| Assets | | Liabilities | |
| Current assets | 43,318,598 | Current liabilities | 7,545,986 |
| Cash and deposits | 19,305,530 | Notes and accounts payable - trade | 1,434,513 |
| Notes and accounts receivable - trade, and contract assets | 5,705,010 | Current portion of long-term borrowings | 1,200,000 |
| Electronically recorded monetary claims - operating | 519,022 | Lease liabilities | 130,896 |
| Securities | 3,728,666 | Income taxes payable | 845,233 |
| Merchandise and finished goods | 8,928,193 | Provision for bonuses | 393,000 |
| Work in process | 441,360 | Provision for bonuses for directors (and other officers) | 46,000 |
| Raw materials and supplies | 3,600,018 | Other current liabilities | 3,496,342 |
| Other current assets | 1,224,634 | Non-current liabilities | 8,831,278 |
| Allowance for doubtful accounts | (133,840) | Bonds payable | 6,000,000 |
| Non-current assets | 8,822,450 | Long-term borrowings | 1,920,000 |
| Property, plant and equipment | 2,627,580 | Lease liabilities | 321,820 |
| Buildings and structures | 625,416 | Retirement benefit liability | 1,665 |
| Machinery, equipment and vehicles | 103,351 | Deferred tax liabilities | 542,059 |
| Land | 447,375 | Other non-current liabilities | 45,734 |
| Leased assets | 37,151 | Total liabilities | 16,377,264 |
| Other property, plant and equipment | 1,414,285 | Net assets | |
| Intangible assets | 410,022 | Shareholders' equity | 31,939,378 |
| Software | 45,257 | Share capital | 2,220,316 |
| Software in progress | 6,001 | Capital surplus | 2,700,615 |
| Other intangible assets | 358,763 | Retained earnings | 30,649,917 |
| Investments and other assets | 5,784,847 | Treasury shares | (3,631,470) |
| Investment securities | 3,633,322 | Accumulated other comprehensive income | 3,905,992 |
| Retirement benefit asset | 891,190 | Valuation difference on available-for-sale securities | 671,014 |
| Deferred tax assets | 808,813 | Foreign currency translation adjustment | 3,234,978 |
| Other investments, etc. | 517,068 | Total net assets | 35,845,371 |
| Allowance for doubtful accounts | (65,548) | | |
| Deferred assets | 81,587 | | |
| Bond issuance costs | 81,587 | | |
| Total assets | 52,222,636 | Total liabilities and net assets | 52,222,636 |

Consolidated Statement of Income

(from April 1, 2025 to March 31, 2026)

(Thousands of yen)

| Item | Amount | |
|---|-----------|-------------------|
| Net sales | | 31,557,095 |
| Cost of sales | | 18,683,860 |
| Gross profit | | 12,873,234 |
| Selling, general and administrative expenses | | 10,376,139 |
| Operating profit | | 2,497,095 |
| Non-operating income | | |
| Interest income | 302,532 | |
| Dividend income | 74,793 | |
| Foreign exchange gains | 675,569 | |
| Other | 127,858 | 1,180,754 |
| Non-operating expenses | | |
| Interest expenses | 99,360 | |
| Amortization of bond issuance costs | 20,755 | |
| Other | 32,618 | 152,735 |
| Ordinary profit | | 3,525,114 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 3,277,057 | |
| Gain on sale of shares of subsidiaries and associates | 9,066 | |
| Other | 14,913 | 3,301,036 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 20,971 | |
| Loss on sale of investment securities | 250 | 21,222 |
| Profit before income taxes | | 6,804,929 |
| Income taxes - current | 1,236,659 | |
| Income taxes - deferred | 875,960 | 2,112,620 |
| Profit | | 4,692,309 |
| Profit attributable to owners of parent | | 4,692,309 |

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(As of March 31, 2026)

(Thousands of yen)

| Item | Amount | Item | Amount |
|--|-------------------|--|--------------------|
| Assets | | Liabilities | |
| Current assets | 23,256,020 | Current liabilities | 4,029,677 |
| Cash and deposits | 10,100,345 | Notes payable - trade | 2,477 |
| Notes receivable - trade | 49,673 | Accounts payable - trade | 794,135 |
| Electronically recorded monetary claims - operating | 454,915 | Current portion of long-term borrowings | 1,200,000 |
| Accounts receivable - trade | 2,160,628 | Lease liabilities | 8,948 |
| Securities | 3,728,666 | Accounts payable - other | 567,093 |
| Merchandise and finished goods | 1,422,846 | Income taxes payable | 524,609 |
| Work in process | 419,309 | Accrued expenses | 116,742 |
| Raw materials and supplies | 2,251,073 | Advances received | 33,059 |
| Advance payments to suppliers | 942 | Provision for bonuses | 353,550 |
| Prepaid expenses | 216,532 | Provision for bonuses for directors (and other officers) | 46,000 |
| Accounts receivable - other | 250,133 | Other current liabilities | 383,061 |
| Short-term loans receivable from subsidiaries and associates | 2,327,072 | Non-current liabilities | 8,294,483 |
| Other current assets | 50,389 | Bonds payable | 6,000,000 |
| Allowance for doubtful accounts | (176,509) | Long-term borrowings | 1,920,000 |
| Non-current assets | 9,158,878 | Lease liabilities | 32,466 |
| Property, plant and equipment | 1,908,453 | Deferred tax liabilities | 306,745 |
| Buildings | 267,589 | Other non-current liabilities | 35,270 |
| Structures | 462 | Total liabilities | 12,324,161 |
| Machinery and equipment | 195 | Net assets | |
| Vehicles | 99 | Shareholders' equity | 19,501,310 |
| Tools, furniture and fixtures | 1,304,006 | Share capital | 2,220,316 |
| Leased assets | 37,151 | Capital surplus | 2,700,615 |
| Land | 298,338 | Legal capital surplus | 2,067,276 |
| Construction in progress | 610 | Other capital surplus | 633,338 |
| Intangible assets | 22,277 | Retained earnings | 18,211,848 |
| Software | 16,075 | Legal retained earnings | 274,318 |
| Software in progress | 6,001 | Other retained earnings | 17,937,530 |
| Other intangible assets | 200 | General reserve | 14,224,761 |
| Investments and other assets | 7,228,147 | Retained earnings brought forward | 3,712,768 |
| Investment securities | 3,633,322 | Treasury shares | (3,631,470) |
| Shares of subsidiaries and associates | 1,119,213 | Valuation and translation adjustments | 671,014 |
| Investments in capital | 15,120 | Valuation difference on available-for-sale securities | 671,014 |
| Investments in capital of subsidiaries and associates | 459,049 | | |
| Membership | 49,010 | Total net assets | 20,172,324 |
| Prepaid pension costs | 891,190 | | |
| Long-term loans receivable from subsidiaries and associates | 1,759,230 | | |
| Other investments, etc. | 361,168 | | |
| Allowance for doubtful accounts | (1,059,157) | | |
| Deferred assets | 81,587 | | |
| Bond issuance costs | 81,587 | | |
| Total assets | 32,496,485 | Total liabilities and net assets | 32,496,485 |

Statement of Income

(from April 1, 2025 to March 31, 2026)

(Thousands of yen)

| Item | Amount | |
|--|-----------|-------------------|
| Net sales | | |
| Net sales of merchandise and finished goods | 9,140,955 | |
| Service revenue | 2,011,136 | 11,152,091 |
| Cost of sales | | 8,727,226 |
| Gross profit | | 2,424,865 |
| Selling, general and administrative expenses | | 4,485,093 |
| Operating loss | | 2,060,227 |
| Non-operating income | | |
| Interest income | 299,266 | |
| Dividend income | 2,529,263 | |
| Outsourcing service income | 140,426 | |
| Rental income | 3,747 | |
| Foreign exchange gains | 722,556 | |
| Proceeds from miscellaneous income | 104,627 | 3,799,888 |
| Non-operating expenses | | |
| Interest expenses | 42,232 | |
| Interest expenses on bonds | 50,800 | |
| Outsourcing service costs | 136,742 | |
| Rental costs | 3,747 | |
| Provision of allowance for doubtful accounts for subsidiaries and associates | 408,105 | |
| Miscellaneous losses | 8,404 | |
| Other | 20,755 | 670,787 |
| Ordinary profit | | 1,068,873 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 3,277,057 | |
| Other | 10,445 | 3,287,503 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 1,205 | |
| Loss on sale of investment securities | 250 | |
| Loss on sale of subsidiaries and associates | 90,000 | |
| Loss on valuation of shares of subsidiaries and associates | 23,519 | 114,975 |
| Profit before income taxes | | 4,241,401 |
| Income taxes - current | 480,962 | |
| Income taxes - deferred | 585,313 | 1,066,275 |
| Profit | | 3,175,125 |

Audit Report

Financial Auditor's Report on Consolidated Financial Statements

Independent Auditor's Report (Translation)

Japan Cash Machine Co., Ltd.

May 20, 2026

To the Board of Directors

Ernst & Young ShinNihon LLC

Osaka Office

Designated Limited Liability Partner

Engagement Partner

Hiroyuki Kurihara, Certified Public Accountant

Designated Limited Liability Partner

Engagement Partner

Daiki Takai, Certified Public Accountant

Audit Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of Japan Cash Machine Co., Ltd. (the "Company") and its consolidated subsidiaries (collectively referred to as the "Group"), as at March 31, 2026 and for the fiscal year from April 1, 2025 to March 31, 2026 in accordance with Article 444, paragraph (4) of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan (including the provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the Business Report and the accompanying supplemental schedules thereof. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit & Supervisory Committee is responsible for overseeing Directors' execution of duties relating to the design and

operation of the reporting process for the other information.

The scope of our audit opinion on the consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information and, in doing so, examine whether the other information is materially inconsistent with the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material misstatement other than such material inconsistency. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact.

We have nothing to report regarding the other information.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes the development and operation of internal control determined by management to be necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In addition, audit procedures shall be designed and implemented to address the risks of material misstatement. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.

- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

The independent auditor shall report to the Audit & Supervisory Committee on our compliance with the rules of professional ethics in Japan regarding independence and matters that could reasonably be considered to affect the auditor's independence, as well as any measures taken to remove impediments or safeguards applied to reduce impediments to an acceptable level, if any.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Financial Auditor's Report on Non-consolidated Financial Statements

Independent Auditor's Report (Translation)

Japan Cash Machine Co., Ltd.

May 20, 2026

To the Board of Directors

Ernst & Young ShinNihon LLC

Osaka Office

Designated Limited Liability Partner

Engagement Partner

Hiroyuki Kurihara, Certified Public Accountant

Designated Limited Liability Partner

Engagement Partner

Daiki Takai, Certified Public Accountant

Audit Opinion

We have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, the related notes and the accompanying supplemental schedules (collectively, "non-consolidated financial statements, etc.") of Japan Cash Machine Co., Ltd. (the "Company"), as at March 31, 2026 and for the 73rd fiscal year from April 1, 2025 to March 31, 2026 in accordance with Article 436, paragraph (2), item (i) of the Companies Act.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the non-consolidated financial statements, etc. were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan (including the provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the Business Report and the accompanying supplemental schedules thereof. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit & Supervisory Committee is responsible for overseeing Directors' execution of duties relating to the design and operation of the reporting process for the other information.

The scope of our audit opinion on the non-consolidated financial statements, etc. does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the non-consolidated financial statements, etc. is to read through the other

information and, in doing so, examine whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material misstatement other than such material inconsistency.

If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact.

We have nothing to report regarding the other information.

Responsibilities of Management and the Audit & Supervisory Committee for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan. This includes the development and operation of internal control determined by management to be necessary to enable the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error. In addition, audit procedures shall be designed and implemented to address the risks of material misstatement. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the non-consolidated financial statements, etc. is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if such notes are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

The independent auditor shall report to the Audit & Supervisory Committee on our compliance with the rules of professional ethics in Japan regarding independence and matters that could reasonably be considered to affect the auditor's independence, as well as any measures taken to remove impediments or safeguards applied to reduce impediments to an acceptable level, if any.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report of the Audit & Supervisory Committee

Audit Report

The Audit & Supervisory Committee has audited the execution of duties of Directors for the 73rd fiscal year from April 1, 2025 to March 31, 2026. We hereby report as follows regarding the method and results of the audit.

1. Method and Content of Audits

With regard to the content of resolution of the Board of Directors concerning the matters stipulated in Article 399-13, paragraph (1), item (i)(b) and (c) of the Companies Act, as well as the system (the internal control system) established based on such resolution, we received reports regularly from Directors, employees, etc., requested explanations as needed, and expressed opinions on the creation and status of operation of such system, and conducted audit by the following methods.

- 1) In accordance with the audit policy and division of duties, etc. specified by the Audit & Supervisory Committee, and, in cooperation with the internal control division of the company, we attended important meetings, received reports regarding execution of duties from the Directors, employees, etc., requested explanations as needed, viewed important approval documents, etc., and investigated the status of operations and financial positions at the head office and principal business locations. Also communicated and exchanged information on subsidiaries with the Directors, etc. of subsidiaries, and received business reports from subsidiaries as needed.
- 2) Considered the content of the basic policies under Article 118, item (iii)(a) of the Regulations for Enforcement of the Companies Act and the efforts under (b) of the same item stated in the Business Report based on the status of discussion in the Board of Directors and elsewhere.
- 3) Monitored and examined whether the financial auditor maintained an independent position and implemented appropriate auditing, received reports from the Financial Auditor on the status of execution of its duties, and requested explanations as needed. Also received notification from the Financial Auditor that the “systems for ensuring that the performance of the duties” (matters listed in the items of Article 131 of the Regulation on Corporate Accounting) have been established in accordance with the Quality Control Standards for Audit (Business Accounting Council), etc., and requested explanations as needed.

We examined the Business Report and accompanying notes, the Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements) and the accompanying supplemental schedules thereof, and the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements) for the relevant fiscal year based on the above methods.

2. Audit Results

(1) Results of Audit of Business Report, etc.

- 1) The Business Report and the accompanying supplemental schedules thereof were found to accurately indicate the status of the company in accordance with laws, regulations and the articles of incorporation.

- 2) No improper acts concerning the execution of duties of Directors or material facts in violation of laws, regulations or the articles of incorporation were found.
 - 3) The content of resolutions of the Board of Directors concerning internal control systems was found to be reasonable. Furthermore, no matters to be pointed out were found regarding the content stated on the Business Report concerning the internal control systems and the execution of duties of Directors.
 - 4) The basic policy on the persons controlling the determination of policies on the Company's finance and business stated in the Business Report was found to be reasonable. It was found that the efforts set forth under Article 118, item (iii)(b) of the Regulation for Enforcement of the Companies Act were in accordance with the basic policy, did not harm the common interests of the Company's shareholders, and were not for the purpose of maintaining the status of the Company's officers.
- (2) Results of Audit of the Non-consolidated Financial Statements and Accompanying Supplemental Schedules
- The method and results of the audit by the Financial Auditor Ernst & Young ShinNihon LLC were found to be reasonable.
- (3) Results of the Audit of the Consolidated Financial Statements
- The method and results of the audit by the Financial Auditor Ernst & Young ShinNihon LLC were found to be reasonable.

May 21, 2026

Japan Cash Machine Co., Ltd. Audit & Supervisory Committee
Michimasa Teraoka, Audit & Supervisory Committee Member
Yoko Sato, Audit & Supervisory Committee Member
Hiroki Yonekura, Audit & Supervisory Committee Member

(Note) Audit & Supervisory Committee Members Yoko Sato and Hiroki Yonekura are outside directors provided for in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.