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To whom it may concern

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**Notice Concerning Introduction of Response Policy to Large-scale Purchase etc. of Company Share Certificates etc. in Preparation for Large-scale Purchase etc. of Company Share Certificates etc. by Mr. Sun You Ning**

Tamai Steamship Co., Ltd. (the “Company”) hereby gives notice that – in light of the fact that ever since Mr. Sun You Ning (“Mr. Sun”) publicly announced in the May 23, 2025 Large-volume Holding Report that as of May 16, he held Company share certificates etc. accounting for 5.11% of the holdings ratio of share certificates etc. (percentage of voting rights (Note) of approximately 5.14%), he has been buying up Company share certificates etc. rapidly and in large quantity (hereinafter the rapid and massive buying up by Mr. Sun of Company share certificates etc. is referred to as the “Share Buying Up”), and according to the June 30, 2025 Change Report No. 4, as of June 23, he held Company shares accounting for 9.51% of the holding ratio of share certificates etc. (percentage of voting rights of approximately 9.57%) – from the perspective of securing the Company’s corporate value and common interests of shareholders, the Company’s Board of Directors decided today on basic policies for a person having control over decisions on the Company’s financial and business policies (meaning the “basic policies” set forth in the main paragraph of Article 118, Item (iii) of the Regulations for Enforcement of the Companies Act; “Basic Policies for Control of the Company”), and also passed a resolution that as efforts to prevent the determination of financial and business policies of the Company from being controlled by an inappropriate person in light of the Basic Policies for Control of the Company ((b)(2) of said Item), the Company will introduce response measures (“Response Policies”) for (i) the Share Buying Up of Company share certificates etc. by Mr. Sun, and (ii) other Large-scale Purchase etc. (defined in **III-2(2)** below; hereinafter the same) which may be contemplated under the circumstances where the Large-scale Purchase etc. of Company share certificates etc. by Mr. Sun continue.

The Response Policies are to be introduced focusing on the response to the Large-scale Purchase etc. including the Share Buying Up which has already materialized, and differ from so-called proactive anti-takeover measures which are introduced during normal phases. It should be noted that the introduction of the Response Policies was resolved by agreement of all of the Company's directors including two independent outside directors, with which all of the Company's corporate auditors including one independent outside corporate auditor agreed.

(Note) "Percentage of voting rights" means a proportion of the number of voting rights relating to the number of holding share certificates etc. set out in the relevant large-volume holding report or change report to the total number of the Company's voting rights recorded in the securities report, the quarterly report, the semiannual report and the report on the issuer's own share repurchase which have the closest record dates to the date of occurrence of reporting duty set out in the relevant large-volume holding report or change report.

The state of Share Buying Up by Mr. Sun is as follows.

Since Mr. Sun submitted the large-volume holding report regarding Company share certificates etc. on May 23, 2025, he submitted Change Report No. 1 on May 30, Change Report No. 2 on June 6, Change Report No. 3 on June 18, and Change Report No. 4 on June 30 in succession. In the June 30, 2025 Change Report No. 4, it was announced that his holding ratio of share certificates etc. was 9.51% (percentage of voting rights of approximately 9.57%) as of June 23. According to the large-volume holding report and the change reports, since Mr. Sun acquired Company shares on April 16, 2025, on all business days between April 22 and June 23 of the same year, Mr. Sun rapidly and in large quantity bought up Company shares, and within a period of just over a month, he bought up Company share certificates etc. accounting for 4% or greater of the holding ratio of share certificates etc..

As stated above, although Mr. Sun was rapidly and in large quantity buying up Company shares, there was no particular communication from him to the Company. In an investigation conducted by the Company, Mr. Sun appears to have Singaporean citizenship, but the only large-volume holding report with respect to Japanese stock companies that he submitted is the report for the Company, and there was no evidence that he was investing in Japanese companies other than the Company. Because the purpose of the Share Buying Up and his expectations for the Company were unknown to the Company, the Company requested a meeting with Mr. Sun, which was held on July 1, 2025, and in attendance were Mr. Sun, the Company President and two directors ("July 1 Meeting"). At the July 1 Meeting, the Company asked Mr. Sun (i) his reason for buying up Company shares, (ii) the holding ratio of the Company shares he plans to buy up, and (iii) whether

going forward he was planning to be involved in the management of the Company by acquiring a majority of the Company's shares; however, with respect to (i) above, he only stated that as his general investment method, he makes investments looking at the fair value of any company with shares traded at a low share price, and did not provide any reason specific to the Company. With respect to (ii) and (iii) above, he stated that as of the present time, he had not made any particular decisions, and depending on the share price going forward, either could be possible. In conclusion, at the July 1 Meeting, while it became clear that (i) there was a high possibility that Mr. Sun would actually continue to buy up Company shares going forward, and (ii) there was also a possibility that he might acquire a majority of Company voting rights or an ownership ratio of Company shares that could have a material impact on the management of the Company, (iii) he did not provide a reason for buying up Company shares or his expectations for the Company, or provide any answers focusing on corporate value unique to the Company, and therefore, to what extent he was interested in medium-to-long-term strategies for the Company and in enhancing medium-to-long-term corporate value and shareholder value was not clarified at all.

Given (1) that Mr. Sun's holding ratio of share certificates etc. for the Company has reached 9.51% (percentage of voting rights of approximately 9.57%), (2) that the current state of Mr. Sun holding Company shares as a result of buying up Company shares accounting for 4% or greater of the holding ratio of share certificates etc. in just over the most recent month through the Share Buying Up, and (3) that as a result of the meeting with Mr. Sun, while (i) there was a high possibility that he would actually continue to buy up Company shares going forward, and (ii) there was also a possibility that he might acquire a majority of Company voting rights or an ownership ratio of Company shares that could have a material impact on the management of the Company, (iii) he did not provide a reason for buying up Company shares or his expectations for the Company, or provide any answers focusing on corporate value unique to the Company, and thus, to what extent he was interested in medium-to-long-term strategies for the Company and in enhancing medium-to-long-term corporate value and shareholder value was not clarified at all. The Company recognizes that there is an undeniable risk that the purpose and results of the Share Buying Up would likely hinder the maximization of the Company's corporate value and the common interests of the shareholders.

In light of the following facts, which are, however, currently still under investigation, the Company cannot deny the possibility that Mr. Sun is in substantial collaboration with ISC Corporation ("ISC"), a company that has submitted a large-volume holding report regarding Company share certificates etc., to buy up Company shares.

ISC, one of the Company's business partners, started intermittently buying up Company shares

from around February 27, 2025, and on April 8 of the same year, submitted a large-volume holding report regarding Company share certificates etc. together with Kabushiki Kaisha Enterprise Maritime and Sampo Unyu Co., Ltd. as joint holders, in which it was announced that its holding ratio of share certificates etc. was 5.09% (percentage of voting rights of approximately 5.12%) as of April 7, and approximately one month later, on May 19 of the same year, submitted Change Report No. 1, in which it was announced that its holding ratio of share certificates etc. was 6.16% (percentage of voting rights of approximately 6.20%) as of May 15. After it was found that ISC had been rapidly buying up Company shares from around the end of February 2025, in April 2025, the Company President confirmed with Mr. Tomoaki Horiuchi (“Mr. Horiuchi”), an old acquaintance and ISC’s Managing Director, the purpose of buying up Company shares, and received the explanation that from around June 2024, ISC made a proposal to provide consulting services to the Company, but decided to acquire the shares to “show the seriousness” of such proposal.

Subsequently, after the Share Buying Up by Mr. Sun became apparent in May 2025, the Company President mentioned the Share Buying Up in a conversation with Mr. Horiuchi and asked whether Mr. Horiuchi, who frequently visits Singapore, if he had ever heard of this Mr. Sun of Singapore. In response, after confirming the large-volume holding report submitted by Mr. Sun, Mr. Horiuchi stated that he had previously met Mr. Sun for business purposes.

When the Company President, who did not have contact information for Mr. Sun, asked Mr. Horiuchi to introduce him to Mr. Sun who was carrying out the Share Buying Up, for the purpose of arranging a meeting, Mr. Horiuchi offered instead to contact Mr. Sun on behalf of the Company, which the Company accepted, and as a result of Mr. Horiuchi serving as a liaison between the Company and Mr. Sun, the July 1 Meeting was arranged. In the course of communication for such arrangement, Mr. Horiuchi made a remark that he would like to attend the meeting with Mr. Sun.

As stated above, given that Mr. Horiuchi and Mr. Sun knew each other from before, that there is no evidence that Mr. Sun is investing in Japanese companies other than the Company, and that ISC bought up Company shares at least from around the end of February to mid-May 2025, while Mr. Sun also carried out the Share Buying Up between April 16 and June 23, 2025, indicating that the time when Mr. Sun commenced his rapid buy-up of Company shares in large quantity is in proximity of the time when ISC commenced its buy-up, and the periods of such buy-ups overlap, the Company believes that Mr. Horiuchi and Mr. Sun will continue to buy up Company shares, and further that their policies and purposes may be related in some way. In this way, it cannot be denied that there is a possibility that Mr. Sun and ISC are substantially working together to buy up Company shares, and in fact, by simple calculation, these parties currently hold in aggregate 302,900 Company shares (percentage of voting rights of 15.77%), and the Company believes that such level of shareholding would have a material impact on the security and enhancement of the

Company group's corporate value etc.

Given the above, in light of the state of the Share Buying Up, the content of the July 1 Meeting and other matters, the Board of Directors believes it is reasonable to determine that there is a high probability that Mr. Sun will carry out a purchase etc. of Company share certificates etc. to increase his voting rights ratio<sup>1</sup> to 20% or greater (i.e., Large-scale Purchase etc.). In addition, a situation may be expected that a third party would contemplate a Large-scale Purchase etc. where Mr. Sun continues his Large-scale Purchase etc. of the Company share certificates etc.; thus, in order to secure information and time to allow shareholders to make proper determinations as to how such a Large-scale Purchase etc. will impact the Company's corporate value and the sources of such value, and so that the Board of Directors could negotiate and discuss matters such as the Large-scale Purchase etc. and the Company's management policies with the Large-scale Purchaser (defined in **III-2(2)** below; hereinafter the same), the Board of Directors concluded that Large-Scale Purchases etc. will contribute to the maximization of the Company's corporate value and the common interests of shareholders if such Large-Scale Purchase etc. is conducted in accordance with certain procedures prescribed by the Board of Directors.

As a result, as set forth at the beginning, the Board of Directors decided today on the Basic Policies for Control of the Company and also passed a resolution to introduce the Response Policies.

Further, along with the above resolution, for the purpose of preventing arbitrary decisions by the Board of Directors and further enhancing the fairness and objectivity of the operation of the Response Policies, the Board of Directors established the Independent Committee and appointed three members of the Independent Committee: Mr. Teruyuki Sago, an outside director of the Company, and Mr. Syuji Yamaguchi and Mr. Katsumi Miyao, outside corporate auditors of the Company. With respect to the establishment of the Independent Committee and the appointment of members of the Independent Committee, please see the "Notice Concerning Establishment of Independent Committee and Appointment of Independent Committee Members" dated today.

Note that if there are any amendments to the Companies Act, the Financial Instruments and Exchange Act, other laws, or any rules, cabinet orders, cabinet office orders, ministerial orders or the like related to such laws, or any rules etc. of financial instruments exchanges on which the Company shares etc. are listed (collectively, "Laws and Regulations etc.") (including changes to the names of Laws and Regulations etc. and the enactment of new Laws and Regulations etc. that

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<sup>1</sup> For confirmation, if it is found that Mr. Sun is substantially working together with ISC or any other person to buy up Company shares, this means the aggregate voting rights ratio of such persons; hereinafter the same.

succeed to former Laws and Regulations etc.; hereinafter the same), and such amendments are enforced, the provisions of Laws and Regulations etc. referred to in the Response Policies will, unless otherwise specified by the Board of Directors, be amended to be read according to the provisions of such amended Laws and Regulations etc. that substantially succeed to such Laws and Regulations etc.

## **I. Basic Policies for a Person Having Control Over Decisions on the Company's Financial and Business Policies**

The Company believes that the transfer of the management control right is one effective means for corporate activities and vitalization of the economy, and if a Large-scale Purchase etc. of Company shares commences, in principle, the shareholders should decide whether or not to accept such purchase.

However, there is expected to be a Large-scale Purchase etc. of Company shares or a proposal relating thereto which may damage the Company's corporate value and common interests of shareholders, or may virtually force the shareholders to sell their Company shares.

Accordingly, from the perspective of securing and enhancing the Company's corporate value and common interests of shareholders, the Company will promptly take appropriate measures from time to time to the extent permitted by the Financial Instruments and Exchange Act, the Companies Act and any other related laws and regulations, such as securing the information and time necessary for the shareholders to give consideration etc. by seeking from the person who intends to carry out a Large-scale Purchase etc. of Company shares the information necessary and sufficient for the shareholders to appropriately approve or disapprove such action, and disclosing the opinion etc. of the Board of Directors with respect for the opinions of independent outside officers.

The Company's basic approach to a person having control over decisions on the Company's financial and business policies is as explained above, and the Board of Directors believes that when a Large-scale Purchaser intends to carry out a Large-scale Purchase etc., the ultimate conditions therefor should be the prior provision of sufficient time and information necessary for the Company's shareholders to consider the purpose, details etc. of the Large-scale Purchase etc. and approve or disapprove such purchase, and the consent of the shareholders to the Large-scale Purchase etc. From that viewpoint, as far as a Large-scale Purchaser complies with the procedures set forth under the Response Policies, prior to the Board of Directors implementing countermeasures pursuant to the Response Policies, the

general shareholders' meeting (the "Shareholders' Intent Confirmation Meeting") will be held as a venue where the Company's shareholders can give consideration and make a decision. If the shareholders express their approval of the Large-scale Purchase etc. at the Shareholders' Intent Confirmation Meeting (approval or disapproval of the Large-scale Purchase etc. is to be expressed by a majority of the voting rights of the shareholders attending the Shareholders' Intent Confirmation Meeting who can exercise their voting rights adopting or rejecting the agenda item asking for approval of the Company taking certain countermeasures if the Large-scale Purchase etc. commences), the Board of Directors will not take any action which will substantially block the Large-scale Purchase etc. as far as such purchase is carried out in accordance with the conditions, particulars etc. disclosed at the Shareholders' Intent Confirmation Meeting.

Therefore, countermeasures (specifically, allotment of share options without contribution) pursuant to the Response Policies will be implemented with full respect for the advice of the Independent Committee only (a) if such action was approved at the Shareholders' Intent Confirmation Meeting, and the Large-scale Purchaser does not cancel the Large-scale Purchase etc., or (b) if the Large-scale Purchaser does not comply with the procedures set forth in **III-2(3)** below, and intends to carry out a Large-scale Purchase etc.

## **II. Special Efforts Contributing to Implementation of the Basic Policies**

### **1. Efforts to Enhance the Company's Corporate Value and Common Interests of Shareholders**

#### **(1) Company's Basic Management Policy**

Guided by its corporate philosophy "Contribute to society through domestic and international marine transportation", the Company strives daily to ensure efficient management of ship operations by giving top priority to the safe operations of the ships it owns, including thorough ship management, in accordance with the following management policy.

#### Management Policy

1. Recognizing the fact that the foundation of any company's existence is its shareholders, business partners, employees and local communities, aiming to be a company that conducts harmonious management and becoming a company that deserves social respect.
2. Through accumulating and deploying marine transportation technologies and

know-how cultivated over many years, aiming to be a distinctive and excellent company that is trusted by customers by flexibly responding to various needs.

3. In order to enhance corporate value and generate expected shareholder interests on a stable basis, swiftly responding to changes in the external environment and pursuing efficiency of invested capital as a whole.
4. Complying with laws and regulations and social norms, and engaging in fair and transparent business activities. Striving to have communication with society at large, and disclosing corporate information in a fair manner.
5. Committing to safe operations, and striving to preserve the marine and global environment.

Under the management policy above, the Company group strives to contribute to society through domestic and international marine transportation, and to achieve medium-term growth and increase corporate value by solving the issue of the planet's uneven resource distribution through securing mid-to-long-term transportation business contracts that meet the needs of customers, and building ships that meet the requirements of customers, the times and society, and reinvesting in the marine transportation industry in view of the marine transportation market and the business environment.

## (2) Medium-Term Management Plan to Realize Management Policy

The Company announced on July 23, 2024, the “Medium-Term Management Plan (March 2025 Term-March 2027 Term)” (“Medium-Term Management Plan”) aiming at the realization of its management philosophy. The Medium-Term Management Plan sets forth the following company-wide strategies and business strategies for social contributions through domestic and international marine transportation through the continuous implementation of replacing and increasing ships to further expand domestic and international marine transportation in view of the business environment surrounding the Company. By implementing these company-wide strategies and business strategies, the Company aims to maintain 5-10% in ROE and around 1 billion yen in EBITDA, while also aiming to maintain a 200% or greater liquidity ratio and to continuously make investments. In addition to achieving the profit and financial targets above, viewing the provision of returns to shareholders as one of its important management measures, the Company aims at a 20% or greater dividend payment ratio.

### Company-wide Strategies



Focus on the following two strategies in order to “contribute to society through marine transportation” and grow on a sustainable basis.

- i. Stabilization through revenue management for each segment; and
- ii. Strategies for investing in ships from the perspectives of both purchasing and selling (business improvement)

#### Business Strategies

- i. Ocean transportation:  
By maximizing the streamlining of existing cargoes, routes and ships, aim to maximize and stabilize revenue.
- ii. Coastal transportation:  
Aim to improve revenue by optimizing the unit prices/terms of existing contracts, and to expand the scale of business through a net increase in ships under management triggered by an increase in crew in coastal services.

In these modern times in which global warming and environmental issues draw increasing attention, the Company sincerely tackles social issues through corporate activities based on its strategies, and aims to achieve SDGs through ESG management while also aiming at long-term improvement of corporate value and sustainable growth.

## **2. Corporate Governance-Related Efforts**

### **(1) Basic Views on Corporate Governance**

With the belief that being more aware of the public nature of marine transportation and continuing to be a company more trusted by society is the most important issue to enhance its corporate value for its shareholders, customers, employees etc., the Company is making efforts to strengthen and improve its corporate governance.

### **(2) Overview of Corporate Governance Structure**

As part of its organizational structure, the Company has an Audit & Supervisory Board.

The Board of Directors and the Board of Corporate Auditors have been designated as decision-making bodies for important business execution and management oversight, and the Company has also established the Executive Committee Meeting and the Department Chief Meeting. The Board of Directors Meeting is held every one to three months to decide on important matters and supervise business execution. The Executive Committee Meeting

(under delegation of partial authority by the Board of Directors, consisting of three standing directors and also attended by the standing corporate auditor) is held as needed to serve a supplementary role to the Board of Directors, and thereby enabling the Company to maintain a system in which decisions are swiftly made in response to changes in the management environment. In addition, the Department Chief Meeting, which is attended by standing officers, department chiefs etc., is also held every month to report on business operations, verify them, and ensure thorough execution of management policies.

As the Company's audit system, appropriate audit activities are carried out in accordance with the audit plan conducted at regular meetings of the Board of Corporate Auditors, and the Internal Control Office, which reports directly to the President, carries out an internal audit for each department at least once every three months. Further, for the purpose of promoting internal control of the Company and the Company group, the Internal Control Committee chaired by the President has been established in an effort to improve and strengthen internal control.

Outside officers account for a majority of the Company's officers (four of the seven directors are outside directors, and out of the four outside directors, two are independent outside directors), and all three corporate auditors (one of which is an independent outside corporate auditor) so that business execution by directors is supervised from an independent standpoint, and independent outside directors are involved in and provide advice on, in an appropriate manner, consideration and decision-making regarding appointment, remuneration and any other important matters, thereby sufficiently ensuring the independence, objectivity and accountability of the Board of Directors in relation to these matters.

(3) Other

For details of the Company's corporate governance structure, please refer to the Company's corporate governance report.

### **III. Efforts to Prevent A Person Who is Inappropriate in Light of the Basic Policies from Controlling Decisions on the Company's Financial and Business Policies**

#### **1. Purpose of the Response Policies**

The Response Policies are to be introduced in accordance with I "Basic Policies for a Person Having Control Over Decisions on the Company's Financial and Business Policies"

above for the purpose of maximizing the Company's medium-to-long-term corporate value and common interests of shareholders.

The Board of Directors believes that the shareholders should make the ultimate decision on whether to accept a Large-scale Purchase etc. from the perspective of maximizing the Company's medium-to-long-term corporate value and common interests of shareholders. In order for the shareholders to make an appropriate decision on whether to accept a Large-scale Purchase etc., it is necessary to ensure an opportunity, prior to the commencement of the Large-scale Purchase etc., in the form of the Shareholders' Intent Confirmation Meeting to confirm the shareholders' general intent, and in order to substantially confirm such intent based on deliberations, it is necessary to demand sufficient information from the Large-scale Purchaser and ensure time for the shareholders to give consideration in advance.

With the understanding above, in a case where a Large-scale Purchase etc. is proposed, in order for the shareholders to determine whether the Large-scale Purchase etc. will block the maximization of the Company's medium-to-long-term corporate value and common interests of shareholder on the basis of sufficient information provided in advance, as a framework in which the Company seeks the required information from the Large-scale Purchaser and ensures the time necessary for the shareholders to consider the pros and cons of the Large-scale Purchase etc. on the basis of such information, the Board of Directors will decide on the Response Policies as procedures for responding to a Large-scale Purchase etc. as follows. The purpose of such procedures is to provide information and time necessary and sufficient for the shareholders to determine whether or not to accept a Large-scale Purchase etc., and the Company believes that such procedures will contribute to maximizing the Company's medium-to-long-term corporate value and common interests of shareholders.

Therefore, the Board of Directors will require a Large-scale Purchaser to comply with the Response Policies, and if the Large-scale Purchaser does not comply with the Response Policies, from the perspective of maximizing the Company's medium-to-long-term corporate value and common interests of shareholders, will take certain countermeasures with full respect for the opinion of the Independent Committee.

It should be noted that because it is reasonably determined that Mr. Sun is highly likely to carry out a purchase etc. of Company share certificates etc. to increase his voting rights ratio to 20% or greater (i.e., a Large-scale Purchase etc.) through the Share Buying Up, the Board of Directors has decided to introduce the Response Policies with the determination that it is necessary to establish certain procedures for the Large-scale Purchase etc. of Company share certificates etc. by Mr. Sun from the perspective of maximizing the Company's medium-to-long-term corporate value and common interests of shareholders. In this mechanism,

whether the Company will take certain countermeasures against a Large-scale Purchase etc. will ultimately be decided by the shareholders' intent at the Shareholders' Intent Confirmation Meeting as far as the Large-scale Purchaser complies with the procedures set forth under the Response Policies. Therefore, on the assumption that the time and information necessary and sufficient to evaluate and consider the details of a Large-scale Purchase etc. are ensured, if the Board of Directors performs its responsibility to provide explanations to shareholders, and a majority of the voting rights of the shareholders in attendance at the Shareholders' Intent Confirmation Meeting who can exercise their voting rights approves implementing the countermeasures, the Company understands that the countermeasures rely on the shareholders' reasonable intent, and determines that the reasonableness of the countermeasures is not an issue (for details of the Mechanisms to Raise the Reasonableness of the Response Policies, please see 5 below).

## **2. Particulars of the Response Policies**

### **(1) Overview**

#### **i. Procedures Relating to Response Policies**

As explained above, the Company believes that the shareholders should ultimately decide whether or not to accept a Large-scale Purchase etc. Therefore, if the shareholders approve at a Shareholders' Intent Confirmation Meeting, and the Large-scale Purchase etc. has not been cancelled, for the purpose of maximizing the Company's medium-to-long-term corporate value and common interests of shareholders, the Company will take certain countermeasures with full respect for the opinion of the Independent Committee.

In accordance with the Response Policies, in preparation for the shareholders to make a decision, the Company will demand required information from the Large-scale Purchaser, secure time for the shareholders to consider on the basis of such information whether or not to approve such Large-scale Purchase etc., and then, confirm the shareholders' intent at the Shareholders' Intent Confirmation Meeting prior to acceptance of such Large-scale Purchase etc. Therefore, if this purpose is not achieved, in other words, if the Large-scale Purchaser does not comply with the procedures set forth in (3) below, and intends to carry out the Large-scale Purchase etc., the Board of Directors will also take certain countermeasures with full respect for the opinion of the Independent Committee.

ii. Establishment of Independent Committee

The Company has established the Independent Committee in accordance with the Independent Committee Regulations (for an overview, see **Exhibit 1**) in order to properly implement the Response Policies, prevent the Board of Directors from making arbitrary decisions, and ensure the objectivity and reasonableness of decisions of the Board of Directors. The Independent Committee will provide the Board of Directors with advice on whether or not to take countermeasures, and any other matters necessary for a response in accordance with the Response Policies. The Board of Directors will decide whether or not to take countermeasures with full respect for such advice of the Independent Committee.

It should be noted that the Independent Committee may obtain advice from external experts (financial advisors, attorneys, certified public accountants, tax accountants etc.) independent of the Board of Directors and the Independent Committee as needed. The Company will bear all expenses required to obtain such advice to the extent reasonable.

In principle, the Independent Committee passes a resolution by a majority of the members in attendance at a meeting attended by all of the incumbent committee members; provided, however, that if a committee member is unable to attend, or for other special reason, the resolution will be passed by a majority of the members in attendance at a meeting attended by a majority of the committee members.

iii. Allotment of Share Options without Contribution as Countermeasure

If countermeasures are taken as explained in i above, the Company will allot to all of its shareholder share options (“Share Options”) with discriminatory exercise conditions etc. that an Unqualified Person (defined in **3(1)v(a)** below; hereinafter the same) is not allowed to exercise an option, and acquisition clauses etc. where share options held by the shareholders other than Unqualified Persons shall be acquired as consideration for common shares of the Company, while share options held by Unqualified Persons shall be acquired as consideration for another share options to which certain exercise conditions and acquisition clauses are attached, using the method for share option allotment without contribution (Article 277 et. seq. of the Companies Act) (for details, see **3** below).

iv. Acquisition of Share Options by the Company

If in accordance with the Response Policies, Share Options are allotted without contribution, and if in exchange for the acquisition of Share Options by the Company, Company shares are delivered to the shareholders other than Unqualified Persons, the proportion of Company shares owned by Unqualified Persons will be diluted to a certain degree.

(2) Subject Large-scale Purchase etc.

Under the Response Policies, a “Large-scale Purchase etc.” means an action reasonably determined to fall under any of the following (excluding those preapproved by the Board of Directors):

- i. a purchase of Company share certificates etc. (Note 3) for the purpose of increasing the voting rights ratio (Note 2) of a specified shareholder group (Note 1) to 20% or greater (including without limitation the commencement of a tender offer; hereinafter the same);
- ii. a purchase of Company share certificates etc. resulting in increasing the voting rights ratio of a specified shareholder group to 20% or greater; or
- iii. regardless of whether an action set forth in i or ii above is implemented, an action carried out by a specified shareholder group of the Company with another shareholder (including cases of multiple shareholders; hereinafter the same in this iii) of the Company and agreement and any other action as a result of which such another shareholder(s) falls under joint holder of such specified shareholder group, or any action with which a relationship is established between such specified shareholder group and such another shareholder(s) in which one of them substantially controls the other, or in which they engage in joint and concerted action (Note 4) (Note 5) (limited to a case where regarding share certificates etc. issued by the Company, the voting rights ratio of such specified shareholder group and such another shareholder(s) add up to 20% or greater),

and a “Large-scale Purchaser” means a person who carries out or intends to carry out such Large-scale Purchase etc. alone or engage in joint and concerted action with another person(s) as explained above.

(Note 1) A specified shareholder group means (i) a holder (meaning the holder set forth in Article 27-23, Paragraph 1 of the Financial Instruments and

Exchange Act, including persons falling under the holder pursuant to Paragraph 3 of said article) and its joint holder (meaning the joint holder set forth in Article 27-23, Paragraph 5 of said act, including a person deemed to be a joint holder pursuant to Paragraph 6 of said article; hereinafter the same) of Company share certificates etc. (meaning the share certificates etc. set forth in Article 27-23, Paragraph 1 of said act), (ii) a person who purchases etc. (meaning the purchase etc. set forth in Article 27-2, Paragraph 1 of said act; including any purchase etc. carried out on a financial instruments exchange market) Company share certificates etc. (meaning the share certificates etc. set forth in Article 27-2, Paragraph 1 of said act) and its specially related party (meaning the specially related party set forth in Article 27-2, Paragraph 7 of said act; hereinafter the same), (iii) a related party of a person set forth in (i) or (ii) above (a group combining an investment bank, a securities company or any other financial institution executing a financial advisory agreement with such person, or any other person sharing substantial interest with such person, a tender offer agent, an attorney, an accountant, a tax accountant and any other advisor, and a person reasonably determined by the Board of Directors to be a person who is substantially controlled by such person or who engages in joint and concerted action with such person), and (iv) a person who received Company shares from a person falling under any of (i) through (iii) above through negotiated trades outside the market or off-hours trading in the Tokyo Stock Exchange (ToSTNeT-1).

- (Note 2) A voting rights ratio means, depending on the specific method of purchase by a specified shareholder group, (i) in a case where the specified shareholder group is a holder or its joint holder of Company share certificates etc. (meaning the share certificates etc. set forth in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act), the holding ratio of share certificates etc. (meaning the holding ratio of share certificates etc. set forth in Article 27-23, Paragraph 4 of said act) of such holder (in this case, the number of share certificates etc. held (meaning the number of share certificates etc. held set forth in said paragraph) by the joint holder of such holder is also taken into account in calculation), or (ii) in a case where the specified shareholder group is a person who purchases etc. Company share certificates etc. (meaning the share certificates etc. set forth in Article 27-2, Paragraph 1 of said act) or its specially related party, the sum of the ownership ratios of share certificates etc. (meaning the ownership ratio of

share certificates etc. set forth in Article 27-2, Paragraph 8 of said act) of such person carrying out such purchase etc. and such specially related party. In calculating such holding ratio of share certificates etc., (a) a specially related party as defined in Article 27-2, Paragraph 7 of said act, (b) an investment bank, a securities company, or any other financial institution executing a financial advisory agreement with such specified shareholder, or a tender offer agent, a leading securities company, an attorney, an accountant, a tax accountant or any other advisor of such specified shareholder, and (c) a person who received Company share certificates etc. from a person falling under (a) or (b) above through negotiated trades outside the market or off-hours trading in the Tokyo Stock Exchange (ToSTNeT-1) are deemed to be joint holders of such specified shareholder under the Response Policies unless the Independent Committee acknowledges that there is no problem in maximizing the Company's corporate value or common interests of shareholders. Also in calculating such ownership ratio of share certificates etc., a joint holder (including those deemed as joint holders under the Response Policies) is deemed as a specially related party of such specified shareholder under the Response Policies. It should be noted that in calculating the holding ratio of share certificates etc. or the ownership ratio of share certificates etc. for the Company, the securities report, the quarterly report or the report on the issuer's own stock repurchase, whichever was most recently submitted, can be referred to for the total number of issued shares (meaning the total number of issued shares set forth in Article 27-23, Paragraph 4 of said act) and the total number of voting rights (meaning the total number of voting rights set forth in Article 27-2, Paragraph 8 of said act).

(Note 3) Share certificates etc. means the share certificates etc. set forth in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

(Note 4) Whether "a relationship has been established between such specified shareholder group and such another shareholder(s) in which one of them substantially controls the other, or in which they engage in joint and concerted action" is determined on the basis of the Identification Criteria for Joint and Concerted Action (**Exhibit 2**; the Independent Committee can revise such criteria to the extent reasonable in light of amendment to laws and regulations, trends in court cases, or the like).

(Note 5) The Board of Directors reasonably determines whether the action of iii above



has been conducted with full respect for the advice of the Independent Committee. The Board of Directors may seek necessary information from the Company's shareholders to the extent necessary to determine whether the specific requirement of iii above will apply.

Also under the Response Policies, if as of the time of announcement of the introduction of the Response Policies, the voting rights ratio of a specified shareholder group has already reached 20% or greater, or if the action of iii above has caused the sum of the voting rights ratios of a specified shareholder group and other shareholders to be 20% or greater, such specified shareholder group shall fall under a "Large-scale Purchaser", and in a relationship with such specified shareholder group, a new purchase set out in i or ii above (for the avoidance of doubt, including the action of newly acquiring one Company share certificate etc.), or a new action set out in iii above carried out with other shareholders shall be treated as a "Large-scale Purchase etc."

For that reason, if as of the time of announcement of the introduction of the Response Policies, the voting rights ratio of a specified shareholder group has already reached 20% or greater, or if the action of iii above has caused the sum of the voting rights proportions as a specified shareholder group to be 20% or greater, a new purchase set out in i or ii above (for the avoidance of doubt, including the action of newly acquiring one Company share certificate etc.), or a new action set out in iii above carried out with other shareholders is required to undergo the procedures set forth in the Response Policies.

### (3) Procedures Leading Up to Implementation of Countermeasures

The purpose of the Response Policies is to ensure an opportunity for the shareholders to express their opinion on whether or not to accept a Large-scale Purchase etc., but it takes a certain amount of time for the Company to hold the Shareholders' Intent Confirmation Meeting. The Response Policies are also in place for the purpose of seeking provision of information from the Large-scale Purchaser in preparation for the shareholders to consider whether or not to accept such Large-scale Purchase etc., and securing the time required for the shareholders' consideration on the basis of such information.

Therefore, in order to make sure that the Shareholders' Intent Confirmation Meeting will be held after information on the Large-scale Purchase etc. is acquired from the Large-scale Purchaser, and time is secured for the shareholders' consideration, the Large-scale Purchaser is required to comply with the following procedures set forth in the Response Policies.

i. Submission of the Statement of Intent for Large-scale Purchase Actions etc.

After the Response Policies are introduced, a Large-scale Purchaser will be required to submit to the Board of Directors a written Statement of Intent for Large-scale Purchase Actions etc. 60 business days prior to an action falling under a Large-scale Purchase etc. The Statement of Intent for Large-scale Purchase Actions etc. must contain details in Japanese equivalent to the details to be described in a tender offer statement set forth in Article 27-3, Paragraph 2 of the Financial Instruments and Exchange Act, depending on the nature, manner, etc. of the contemplated Large-scale Purchase etc., and the signature or the name and seal of a representative of the Large-scale Purchaser, and be accompanied by a certificate of qualification of the representative who signed or inscribed its name and affixed its seal.

If the Board of Directors receives a Statement of Intent for Large-scale Purchase Actions etc. from a Large-scale Purchaser, the Company will promptly make a public announcement to that effect and on the content thereof as needed.

ii. Provision of Information

Within five business days from the date on which the Board of Directors receives the Statement of Intent for Large-scale Purchase Actions etc. (excluding the date of receipt of said statement; hereinafter the same) at the latest, the Company will seek from the Large-scale Purchaser provision of the information necessary for the shareholders to consider at the Shareholders' Intent Confirmation Meeting whether or not to accept the Large-scale Purchase etc. (hereinafter such information is referred to as "Required Information"). General items contained in the Required Information are as described in **Exhibit 3**. The specific content of said information varies by the nature of the Large-scale Purchaser and the details of the Large-scale Purchase etc., but in any case, are limited to the extent necessary and sufficient for the shareholders to make a decision and for the Board of Directors to form its opinion.

If the Company receives the Required Information, the Company will give notice to that effect and disclose the details of such information in a timely and appropriate manner to the extent necessary or useful for the shareholders to determine whether or not to accept the Large-scale Purchase etc. If the Board of Directors reasonably determines in light of the nature, manner, etc. of the Large-scale Purchase etc. that the information received from the Large-scale Purchaser is insufficient for the shareholders to determine whether or not to accept such Large-scale Purchase etc., the Large-scale

Purchaser may be required to provide additional information within an appropriate submission period (in making such determination, the opinion of the Independent Committee will be fully respected). In such case, the Large-scale Purchaser must provide the Board of Directors with such additional information by the end of such submission period. If such information is provided, the Company will give notice to that effect and disclose the details of such information in a timely and appropriate manner to the extent necessary or useful for the shareholders to determine whether or not to accept the Large-scale Purchase etc.

iii. Board of Directors' Evaluation Period

The Board of Directors shall designate a period reasonably set by it within 60 business days from the date on which the Company received the Statement of Intent for Large-scale Purchase Actions etc. from the Large-scale Purchaser as the period in which the Board of Directors evaluates and considers the pros and cons of the Large-scale Purchase etc. ("Board of Directors' Evaluation Period"). It should be noted that the Board of Directors' Evaluation Period is based on business days instead of calendar days, given that said period starts from the date of receipt of the Statement of Intent for Large-scale Purchase Actions etc. instead of from the time of completion of the provision of information of ii above.

Going forward, any Large-scale Purchase etc. should be carried out only after the Board of Directors' Evaluation Period lapses (or if the Shareholders' Intent Confirmation Meeting is to be held, after the agenda item relating to the implementation of countermeasures is rejected, and the Shareholders' Intent Confirmation Meeting ends).

iv. Shareholders' Intent Confirmation Meeting

If the Board of Directors opposes the Large-scale Purchase etc., and considers implementing countermeasures against such purchase, within 60 business days from the date of receipt of the Statement of Intent for Large-scale Purchase Actions etc., the Company will decide to hold the Shareholders' Intent Confirmation Meeting, and promptly after making such decision, hold the Shareholders' Intent Confirmation Meeting. In the Shareholders' Intent Confirmation Meeting, the shareholders' intent on whether or not to accept the Large-scale Purchase etc. will be confirmed in the form of seeking approval or disapproval of the agenda item relating to the implementation of

countermeasures. At the Shareholders' Intent Confirmation Meeting, the Board of Directors may make an alternative proposal to the Large-scale Purchase etc. to maximize the Company's medium-to-long-term corporate value and shareholders' interests. In making such proposal, the Board of Directors shall fully respect the opinion of the Independent Committee.

After considering information on the Large-scale Purchase etc., the shareholders will be asked to determine whether or not to accept the Large-scale Purchase etc. by approving or disapproving the agenda item relating to the implementation of countermeasures proposed by the Board of Directors. If a majority of the voting rights of the shareholders who can exercise voting rights in attendance at the Shareholders' Intent Confirmation Meeting approves the agenda item relating to the implementation of countermeasures, such agenda item shall be deemed to have been approved. If the Shareholders' Intent Confirmation Meeting is to be held, the Board of Directors will send to the shareholders a convocation notice of the general shareholders' meeting together with the Required Information provided by the Large-scale Purchaser, the opinion of the Board of Directors on the Required Information, the alternative proposal made by the Board of Directors, and any other documents containing matters determined appropriate by the Board of Directors in a timely and appropriate manner. Additionally, if the Shareholders' Intent Confirmation Meeting is to be held, the scope of shareholders who can exercise voting rights (in light of recent court cases, the manner of the Large-scale Purchase etc. and the like, such scope will be decided in an appropriate manner), the reference date for the exercise of voting rights, the date and time of the Shareholders' Intent Confirmation Meeting and other details will be notified through a timely and appropriate method.

v. Countermeasures

In a case where the shareholders approve the agenda item relating to the implementation of countermeasures proposed by the Board of Directors at the Shareholders' Intent Confirmation Meeting, if the Large-scale Purchaser does not cancel the Large-scale Purchase etc., in accordance with the shareholders' intent, the Board of Directors will implement the countermeasures (allotment of share options without contribution to which discriminatory exercise conditions etc. and acquisition clauses etc. are attached) set forth in 3 below with full respect for the opinion of the Independent Committee. Conversely, if the shareholders do not approve the agenda item relating to the implementation of countermeasures at the Shareholders' Intent

Confirmation Meeting, in accordance with the shareholders' intent, the Board of Directors will not implement countermeasures.

However, if a Large-scale Purchaser does not comply with the procedures set forth in i through iii above, and intends to carry out a Large-scale Purchase etc., the Company cannot secure the time necessary for the shareholders to consider whether or not to accept the Large-scale Purchase etc. on the basis of information disclosed by the Large-scale Purchaser or ensure an opportunity to confirm the shareholders' intent. Accordingly, in such case, unless there is any special reason, without holding the Shareholders' Intent Confirmation Meeting, the Board of Directors will implement countermeasures. In determining whether or not to implement countermeasures, the Board of Directors will fully respect the opinion of the Independent Committee. If countermeasures are implemented, the Company will disclose such fact in a timely and appropriate manner.

### **3. Overview of Countermeasure (Allotment of Share Options Without Contribution)**

An overview of the allotment of Share Options without contribution that the Company will carry out as a countermeasure under the Response Policies is as set forth below (besides the following, other details of the Share Options shall be separately specified by the Board of Directors at the time of a resolution of allotment of Share Options without contribution).

#### **(1) Share Options to Be Allotted**

##### **i. Type of Shares Underlying Share Options**

Common shares of the Company

##### **ii. Number of Shares Underlying Share Options**

The number of underlying shares per one Share Option shall be separately specified by the Board of Directors.

##### **iii. Value of Assets to Be Contributed for the Exercise of Share Options**

Cash shall be contributed for the exercise of share options, and the value shall be an amount obtained by multiplying 1 yen by the number of underlying shares per share

option.

iv. Share Options Exercise Period

The period during which Share Options may be exercised shall be a certain period of time separately specified by the Board of Directors.

v. Conditions for Exercising Share Options

- (a) Share Options held (including those substantially held) by Unqualified Persons may not be exercised.

An “Unqualified Person” refers to a person falling under any of the following. Note that with respect to the identification or determination of (y) in (iv) below, the Board of Directors shall fully respect the recommendations of the Independent Committee under the Identification Criteria for Joint and Concerted Action (**Exhibit 2**) and identify Unqualified Persons; if a Shareholders’ Intent Confirmation Meeting is to be held, the identification of Unqualified Persons shall be included in an agenda item relating to the implementation of countermeasures for the Company’s shareholders to deliberate.

- (i) Large-scale Purchaser
- (ii) Joint holder of a Large-scale Purchaser (including a party deemed to be a joint holder under the Response Policies)
- (iii) Specially related party of a Large-scale Purchaser (including those deemed to be a specially related party under the Response Policies)
- (iv) A person that the Board of Directors reasonably determines, based on the recommendations of the Independent Committee, to fall under any of the following:
  - (x) A person who has received or succeeded to Share Options from any person falling under any of (i) to (iv) above, without the Company’s approval; or
  - (y) A “related party” of a person falling under any of (i) to (iv) above. A “related party” means an investment bank, a securities company or any other financial institution executing a financial advisory agreement with such person, or any other person sharing substantial interest with such person, a tender offer agent, an attorney, an accountant, a tax accountant and any other advisor, and a person who is substantially controlled by

such person or who engages in joint and concerted action with such person. In determining a partnership or other fund to be a “related party,” the fund manager being substantially identical and other circumstances shall be taken into consideration.

- (b) A Share Options holder shall be entitled to exercise Share Options only after submitting to the Company a document containing a representations and warranties clause confirming that the Share Options holder does not fall under any Unqualified Persons of v(a) above (if exercising Share Options for the benefit of a third party, including confirmation that such third party does not fall under any Unqualified Persons of v(a) above), an indemnity clause and any other matters set forth by the Company; materials indicating satisfaction of any conditions requested by the Company to the extent reasonable; and any other documents required under Laws and Regulations etc..
- (c) If, under applicable foreign securities laws and other Laws and Regulations etc., the exercise of Share Options by a person located in the jurisdiction of such Laws and Regulations etc. requires implementation of prescribed procedures or satisfaction of prescribed conditions, such person in the jurisdiction may exercise Share Options only upon the Company’s acknowledgement that all such procedures and conditions have been implemented and satisfied. It should be noted that, even if the Company’s implementation or satisfaction of the procedures and conditions above allows the person in the jurisdiction to exercise Share Options, the Company is not obligated to implement such procedures or satisfy such conditions.
- (d) The confirmation of the satisfaction of the conditions of v(c) above will be performed in accordance with procedures that comply with the procedures set forth in v(b) above as set forth by the Board of Directors.

vi. Acquisition Clause

- (a) With respect to unexercised Share Options that are exercisable in accordance with the provisions of v(a) and (b) above (i.e. those held by persons who do not fall under Unqualified Persons) (including Share Options held by those who fall under v(c) above; “Exercisable Share Options” in vi(b) below), the Company, on a date after the effective date of allotment of Share Options without contribution that is determined by the Board of Directors, may acquire, as consideration, a number of common shares of the Company that corresponds to the integer of the product of

multiplying the number of the Share Options for the acquisition by the number of underlying shares per one Share Option.

- (b) With respect to unexercised Share Options other than Exercisable Share Options, the Company, on a date after the effective date of allotment of Share Options without contribution that is determined by the Board of Directors, may acquire, as consideration, the same number of share options as the number of the Share Options for the acquisition that are subject to certain restrictions for the exercise by an Unqualified Person (the exercise conditions and acquisition clauses below and other restrictions determined by the Board of Directors; hereinafter such share options are referred to as “Second Share Options”).

- (i) Exercise Conditions

In a case where both of the following conditions are satisfied or in a case determined by the Board of Directors, an Unqualified Person may exercise Second Share Options only within a range that results in the ratio specified by the Board of Directors as the Large-scale Purchaser’s voting rights ratio after the exercise of Second Share Options being below 20% or a ratio separately specified by the Board of Directors (if, Mr. Sun’s voting rights ratio of Company share certificates etc. as of today exceeds 20%, then, in relation to Mr. Sun, the phrase “20% or a ratio separately specified by the Board of Directors” shall be amended to read “the Large-scale Purchaser’s voting rights ratio as of today”; hereinafter the same).

- (x) In a case where the Large-scale Purchaser has suspended or cancelled the Large-scale Purchase etc. and subsequently provided a written covenant not to carry out the Large-scale Purchase etc.
- (y) (α) In a case where the ratio approved by the Board of Directors to be the Large-scale Purchaser’s voting rights ratio (provided, however, that in this (i), for the purpose of calculation of the voting rights ratio, Unqualified Persons who are not the Large-scale Purchaser or their joint holders will be treated as joint holders of the Large-scale Purchaser, and any Second Share Options held by Unqualified Persons for which the exercise conditions are not satisfied will be excluded from the calculation) is below 20% or a ratio separately specified by the Board of Directors; or (β) in a case where the ratio approved by the Company to be the Large-scale Purchaser’s voting rights ratio is or exceeds 20%



or a ratio separately specified by the Board of Directors, the Large-scale Purchaser and other Unqualified Persons have disposed of the Company shares on the market through a securities company approved by the Company, and the ratio approved by the Board of Directors as the Large-scale Purchaser's voting rights ratio after such disposal is below 20% or a ratio separately specified by the Board of Directors.

(ii) Acquisition Clause

On the day 10 years after the date of delivery of the Second Share Options, the Company may acquire any unexercised Second Share Options that remain (limited to those for which the exercise options have not been satisfied) by paying consideration in cash equivalent to the market value of the Second Share Options at the time.

- (c) The confirmation of satisfaction of the conditions concerning the compulsory acquisition of the Share Options shall be in accordance with procedures that comply with the procedures set forth in v(b) above, determined by the Board of Directors. Note that during the period until the day before the start date of the period during which the Share Options are exercisable, the Company may acquire all Share Options free of charge on or after a date separately specified by the Board of Directors, provided that the Board of Directors deems such acquisition of the Share Options by the Company appropriate.

vii. Assignment Approval

Acquisition of the Share Options through assignment requires approval of the Board of Directors.

viii. Matters Concerning Capital and Reserves

Matters concerning capital and capital reserves that are expected to increase in conjunction with the exercise of the Share Options and the acquisition in accordance with the acquisition clause shall be stipulated in accordance with Laws and Regulations etc.

ix. Fractions

Any fraction of less than one in the number of shares to be delivered to persons who have exercised Share Options will be discarded; provided, however, that if a Share Options holder exercises multiple Share Options at once, the number of shares to be delivered to such holder for the exercise of each Share Option may be added in the calculation of the fraction.

x. Issuance of Share Option Certificates

No share option certificates will be issued for Share Options.

(2) Number of Share Options to Be Allocated to Shareholders

The Share Options will be allocated at a ratio of one Share Option per one common share of the Company (excluding the common shares held by the Company).

(3) Shareholders Eligible for Allotment of Share Options Without Contribution

Share Options will be allotted to all shareholders of common shares of the Company (excluding the Company itself) who are listed or recorded on the final shareholder register on a reference date separately specified by the Board of Directors.

(4) Total Number of Share Options

The total number of Share Options shall be the same as the final total number of issued shares of the Company on the reference date separately specified by the Board of Directors (provided, however, that this excludes the number of common shares held by the Company).

(5) Effective Date of Allotment of Share Options Without Contribution

The effective date shall be a date on or after a reference date separately specified by the Board of Directors that will be separately specified by the Board of Directors.

(6) Other

Allotment of Share Options without contribution shall take effect on condition that either of the following is satisfied: (i) if the shareholders approve at a Shareholders' Intent Confirmation Meeting, and the Large-scale Purchase etc. has not been cancelled (supposing that, after the fact, it is reasonably confirmed that a Large-scale Purchase etc. was carried out, cases where, within a reasonable period specified by the Board of Directors based on recommendations of the Independent Committee, the holding etc. of Company share certificates etc. falling under a Large-scale Purchase etc. and the specific possibility thereof were not resolved), or (ii) if the Large-scale Purchaser does not comply with the procedures set forth in 2(3) above, and intends to carry out the Large-scale Purchase etc. (supposing that, after the fact, it is reasonably confirmed that a Large-scale Purchase etc. was carried out, cases where, within a reasonable period specified by the Board of Directors based on recommendations of the Independent Committee, the holding etc. of Company share certificates etc. falling under a Large-scale Purchase etc. and the specific possibility thereof were not resolved).

**4. Impact on Shareholders and Investors**

(1) Impact of Response Policies on Shareholders and Investors at Time of Introduction of Response Policies

There will be no allotment of Share Options without contribution at the time of the introduction of the Response Policies. Accordingly, at the time of their introduction, the Response Policies will not have a direct or specific impact on the rights and economic interests of shareholders and investors.

(2) Impact of Allotment of Share Options Without Contribution on Shareholders and Investors at Time of Such Allotment

Share Options will be automatically allotted to all shareholders, and therefore no shareholder will lose any rights in conjunction with the allotment of Share Options. If the allotment of Share Options without contribution is carried out, this would dilute the per-share value of the Company shares that shareholders hold, but the value of the Company shares that shareholders hold as a whole will not be diluted. Accordingly, we do not expect this to have a direct or specific impact on the legal rights and economic interests of

shareholders and investors. Further, prior to the exercise period of Share Options, the Company plans to compulsorily acquire all Share Options at once under the acquisition clause on them and deliver Company shares for the Share Options that satisfy their exercise conditions.

However, in the case of the Unqualified Persons set forth in 3(1)v(a) above, if countermeasures are implemented, such persons may suffer disadvantages on their legal rights or economic interests as a result.

When carrying out the allotment of Share Options without contribution, the Company will set a reference date for receiving allotment of Share Options without contribution. Because allotment of Share Options without contribution will dilute the per-share value of the Company shares, the price of Company shares may decline after eligible shareholders for allotment of Share Options without contribution are determined. The Board of Directors will take into account the manner of the Large-scale Purchase etc. and other circumstances before setting a reference date for the allotment of Share Options without contribution. The Company will disclose such reference date in a timely and appropriate manner when it sets such date.

If the Large-scale Purchaser complies with the procedures set forth in 2(3) above and is unable, at a Shareholders' Intent Confirmation Meeting, to obtain shareholder approval for an agenda item relating to the implementation of countermeasures, there will be no allotment of Share Options without contribution. Further, if the Board of Directors, having commenced the procedures for implementing the countermeasures, concludes that there no longer is any need to implement the countermeasures (for example, if the Large-scale Purchaser has cancelled the Large-scale Purchase etc. and provided a written covenant not to implement any Large-scale Purchase etc. going forward), the implementation of the countermeasure may be suspended or withheld (in such cases, disclosures in a timely and appropriate manner will be made in accordance with applicable Laws and Regulations etc.). If any of these situations occur, shareholders and investors who purchase or sell the Company shares based on the anticipated dilution in the per-share value of Company shares may suffer substantial damage from fluctuations in the share price.

### (3) Procedures Required for Shareholders at Time of Allotment of Share Options Without Contribution

#### (a) Procedures for Allotment of Share Options Without Contribution

If the Board of Directors resolves to carry out allotment of Share Options without

contribution, the Company will set a reference date for allotment of Share Options without contribution and disclose such date in a timely and appropriate manner. In this case, Share Options will be allotted without contribution to Company shareholders listed or recorded on the final shareholder register as of the reference date, in proportion to the number of common shares they hold. Accordingly, Company shareholders listed or recorded on the final shareholder register as of the reference date will receive allotment of Share Options as a matter of course without any need to follow any particular procedures.

(b) Procedures for Acquisition of Share Options

While there are, as described in 3 above, conditions and procedures for exercising Share Options to be allotted to shareholders, in principle, the Company plans to acquire such options pursuant to the acquisition clause on a date prior to the start of the exercise period that will be separately specified by the Board of Directors. In that case, the Company shall implement such acquisition after issuing a public notice at least two weeks prior to the acquisition date pursuant to Laws and Regulations etc.

If in accordance with 3(1)vi(b) above, the Company plans to acquire Share Options pursuant to the acquisition clause, shareholders will receive, without paying cash equivalent to the exercise price, common shares of the Company as consideration for the Company's acquisition of Share Options. Provided, however, that the treatment of the acquisition or exercise of Share Options for Unqualified Persons will be different from those for other shareholders.

(c) Other

If the procedures described above become necessary, the Company will disclose such procedures in a timely and appropriate manner in accordance with applicable Laws and Regulations etc. for review.

## **5. Mechanisms to Raise the Reasonableness of the Response Policies**

(1) The Response Policies Take Into Account the Purport of Guidelines etc. Concerning Response Policies Introduced During Normal Phases

The Response Policies differ from so-called "proactive anti-takeover measures" that are

adopted during normal phases, but they were formulated in light of the contents of the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, the contents of the proposal entitled “Takeover Defense Measures in Light of Recent Changes in the Environment” announced by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry on June 30, 2008, the purport of the “Guidelines for Corporate Takeovers: Enhancing Corporate Value and Securing Shareholders’ Interests” announced by the Ministry of Economy, Trade and Industry on August 31, 2023, and the Tokyo Stock Exchange’s rules on response policies to be introduced during normal phases and “Principle 1.5 Anti-Takeover Measures” in the “Corporate Governance Code” (as amended on June 11, 2021) that came into effect on June 1, 2015 after it was introduced by an amendment to the Securities Listing Regulations, and requirements under such guidelines that apply to response policies during an emergent phase are satisfied by the Response Policies.

- (2) Respect for Shareholders’ Intent (Response Policies are Mechanisms that Directly Reflect the Intent of Shareholders)

The Response Policies are to be adopted by a resolution of the Board of Directors, and there is no plan to obtain the approval of the shareholders at a general shareholders’ meeting, but in principle, in the implementation of countermeasures pursuant to the Response Policies, the Company will reflect the intent of the shareholders by convening a Shareholders’ Intent Confirmation Meeting. As long as the Large-scale Purchaser complies with the procedures set forth in 2(3) above, the decision on whether to implement countermeasures will be made solely based on the intent of the shareholders confirmed at the Shareholders’ Intent Confirmation Meeting.

Moreover, if the Large-scale Purchaser does not comply with the procedures set forth in 2(3) above, and intends to carry out a Large-scale Purchase etc., countermeasures will be implemented only by the Board of Directors with full respect for the opinion of the Independent Committee, but such action by the Large-scale Purchaser is based on the Large-scale Purchaser’s decision not to grant shareholders the opportunity to carefully consider necessary and sufficient information before making a decision on whether to support or oppose the Large-scale Purchase etc., and implementation of countermeasures against such Large-scale Purchase etc. that ignores the intent of the shareholders is believed to be unavoidable to secure the Company’s corporate value and the common interests of shareholders.

In addition, as set forth in 6 below, the Response Policies come into effect today, but in principle, the effective period will be until the conclusion of the Board of Directors meeting that is first convened after the Company's annual general shareholders' meeting convened in June 2026.

In such a way, the Response Policies fully respect the intent of shareholders.

(3) Elimination of Arbitrary Decisions by Directors

As set forth in (2) above, the Company will convene a Shareholders' Intent Confirmation Meeting and will decide whether to implement countermeasures against the Large-scale Purchase etc. in accordance with the intent of the shareholders. Provided that the Large-scale Purchaser complies with the procedures set forth in 2(3) above, the decision on whether to implement countermeasures will be made based on whether the proposal for implementation of countermeasures is approved at the Shareholders' Intent Confirmation Meeting. Further, if the Large-scale Purchaser does not comply with the procedures set forth in 2(3) above, and intends to carry out a Large-scale Purchase etc., the Board of Directors will fully respect the opinion of the Independent Committee in the implementation of the prescribed countermeasures. Consequently, countermeasures will not be implemented based on an arbitrary discretion of the Board of Directors.

Further, as set forth in 2(1)ii above, the Company will receive recommendations from the Independent Committee concerning the advisability of implementation of countermeasures and other matters necessary to respond in accordance with the Response Policies to ensure the necessity and appropriateness of the Response Policies, and to prevent abuse of the Response Policies to protect the interests of managers. In addition, to ensure the fairness of its decision and to eliminate any arbitrary decisions by the Board of Directors, the Board of Directors will fully respect the opinion of the Independent Committee. Furthermore, when necessary, the Independent Committee will be able to obtain the advice of external experts (such as financial advisors, attorneys, certified public accountants, and tax accountants) who are independent from the Board of Directors and the Independent Committee. The objectivity and reasonableness of determinations of the Independent Committee are ensured from the foregoing.

Accordingly, the Response Policies eliminate arbitrary decisions by directors.

(4) The Response Policies Are Not Dead Hand-Type Anti-Takeover Measures or Slow Hand-

## Type Anti-Takeover Measures

As set forth in 6 below, because the Response Policies can be abolished at any time by a resolution of the Board of Directors composed of directors elected at general meetings of shareholders, they are not the so called “dead hand-type anti-takeover measures” (anti-takeover measures that cannot be prevented from implementation even if a majority of the members of the Board of Directors are replaced) or “slow hand-type anti-takeover measures” (anti-takeover measures that, because members of the Board of Directors cannot be replaced all at once, require time to prevent implementation).

### **6. Procedures for Abolition and Effective Period of Response Policies**

The Response Policies come into effect today, but the effective period is until the conclusion of the Board of Directors meeting that is first convened after the Company’s annual general shareholders’ meeting convened in June 2026. However, if at the time of conclusion of the Board of Directors meeting that is first convened after the Company’s annual general shareholders’ meeting convened in June 2026, there is a person that is actually conducting a Large-scale Purchase etc. or a person contemplating such conduct that has been specified by the Board of Directors, to the extent necessary to respond to such conduct or contemplated conduct, such effective period shall be extended. Note that as set forth above, the Response Policies are to be introduced focusing on the response to the Large-scale Purchase etc. including the Share Buying Up which has already materialized, and thus there is no plan to maintain the Response Policies after the specific Large-scale Purchase etc. is no longer contemplated.

Note that even before the expiration of the effective term, if the Board of Directors composed of directors elected at general meetings of shareholders of the Company resolve to abolish the Response Policies, the Response Policies will be abolished at such point in time.

End



## **Exhibit 1**

### **Summary of Independent Committee Regulations**

1. The Independent Committee shall be established by a resolution of the Board of Directors for the purposes of preventing arbitrary decisions by the Board of Directors, and to enhance further fairness and objectivity in the operation of the Response Policies.
2. The Independent Committee shall have three or more members, and shall be elected by a resolution of the Board of Directors from among (1) outside directors of the Company, (2) outside statutory auditors of the Company, and (3) outside experts (experienced company managers, former government officials, attorneys, certified public accounts, academic experts, and persons comparable to the foregoing) who are independent from the management who executes the Company's business.
3. The term of office of a member of the Independent Committee shall be until the conclusion of the Board of Directors meeting that is first convened after the annual general shareholders' meeting of the Company for the last business year that ends within one year from the time of his or her election.
4. Meetings of the Independent Committee shall be convened by each director or each member of the Independent Committee.
5. The chairperson of the Independent Committee shall be chosen by mutual election among the members of the Independent Committee.
6. In principle, the Independent Committee passes a resolution by a majority of the members in attendance at a meeting attended by all Independent Committee members; provided, however, that if any member of the committee is unable to attend, or for other special reason, the resolution will be passed by a majority of the members in attendance at a meeting attended by a majority of the committee members.
7. The Independent Committee shall deliberate on and resolve the following matters, and make recommendations to the Board of Directors explaining the reasons for the recommendations:
  - (1) Advisability of implementation of countermeasures related to the Response Policies;
  - (2) Discontinuation of implementation of countermeasures related to the Response Policies;
  - (3) Other than (1) and (2) above, matters regarding which the Independent Committee has been given authority with respect to the Response Policies; and
  - (4) Any other matters regarding which the Board of Directors or the representative director of the Company voluntarily consults with the Independent Committee in connection with the Response Policies.

Members of the Independent Committee are required to conduct deliberations and decide

resolutions of the Independent Committee mainly from the perspective of the medium-to-long-term corporate value of the Company group and the common interests of shareholders, and not for the purpose of benefiting the individual interests of themselves or the Company's management.

8. When necessary, the Independent Committee shall have directors and employees of the Company, and other persons determined necessary, attend meetings of the Independent Committee, and seek opinions and explanations concerning matters sought by the Independent Committee.
9. In the execution of its duties, the Independent Committee can, at the Company's expense, obtain advice from external experts (including investment banks, securities companies, financial advisors, certified public accountants, attorneys, consultants, tax accountants, and other experts) who are independent from the management who execute the Company's business.

## Exhibit 2

### Identification Criteria for Joint and Concerted Action

- \* These Criteria are to be used, when identifying an “Unqualified Person” including the Large-scale Purchaser as defined in the Response Policies, as criteria to determine whether a person falls under the category of “a person who is substantially controlled by such person or who engages in joint and concerted action with such person”, but when identifying a “Large-scale Purchase etc.”, which is a premise for identifying the “Large-scale Purchaser”, these Criteria are also to be used as criteria to determine whether “a relationship . . . between such specified shareholder group and such another shareholder(s) in which one of them substantially controls the other, or in which they engage in joint and concerted action” is established.
  - \* Identification shall be made by the method of comprehensive determination, taking into account, in addition to the factors set forth in the items below, whether there are direct or indirect facts that suggest that there has been “no” communication of intent between the subject of the identification (including such subject’s parent company, subsidiaries, and other entities that are to be viewed as equivalent to the subject of the identification; “Identification Subject”) and specified shareholders of the Company.
  - \* Hereinafter, a “Large-scale Purchaser” includes the parent company and subsidiaries of the “Large-scale Purchaser” (together with the Large-scale Purchaser, the “Large-scale Purchaser Group”), and officers and major shareholders of the Large-scale Purchaser Group.
1. Whether the timing of the Identification Subject’s acquisition of Company share certificates etc. overlaps with the timing of acquisition of Company share certificates etc. or act of making an important proposal, etc. or other substantial acquisition of management control of the Company or action to gain substantial influence over the Company management by the Large-scale Purchaser.
  2. Whether the number of acquired Company share certificates etc. by the Identification Subject has reached a significant amount.
  3. Whether the time of commencement of the acquisition of Company share certificates etc. by the Identification Subject was close to the time of commencement of acquisition of the Company share certificates etc., or substantial acquisition of management control of the Company or action to gain substantial influence over the Company management by the Large-scale Purchaser such as the expression of intent to engage in acquisition of management control of the Company or act of making an important proposal, etc. to the Company, or to the reference date of a general shareholders’ meeting that included agenda items related to the Response Policies as objectives, or other event related to actions of the

Large-scale Purchaser.

4. Whether, during a time when the market trading status of Company share certificates etc. was abnormal (for example, when the trading volume was markedly higher than the average volume or when share prices had risen sharply compared to average share prices during the preceding period), the Identification Subject acquired Company share certificates etc., or there are other similarities, with respect to such person's acquisition, in the characteristics of the timing or manner of Large-scale Purchaser's acquisition of the Company share certificates etc. (for example, whether margin buying is being utilized).
5. Whether the Identification Subject acquired share certificates of other listed companies that the Large-scale Purchaser is acquiring (or has acquired), and whether the timing of such acquisition and the period of ownership overlaps with such specified shareholder.
6. Whether, during a period that overlaps with Paragraph 5 above, the exercise of shareholder rights (common benefit rights) by the Identification Subject against such other listed company (another listed company of which the Identification Subject, along with the Large-scale Purchaser, is a shareholder) conformed with the exercise by the Large-scale Purchaser. If such exercise conformed, the degree of conformity in light of the type, details, results of the shareholder rights, and so on.
7. Whether, as a result of exercise of voting rights or other common benefit rights by the Identification Subject and the Large-scale Purchaser against such other listed company set forth in Paragraph 5 above (if there is any shareholder other than such Identification Subject that exercised voting rights or other common benefit rights in conformity with Large-scale Purchaser, such shareholder), any director or other officer is elected or dismissed, and during the term of office of officers after such change, any likelihood of damage to the corporate value or shareholder value of the listed company arises (for example, occurrence of an event that constitutes or is likely to constitute a material violation of laws and regulations, delisting, designation as a security on special alert, bankruptcy or other legal insolvency procedures, or issuance of shares or share options resulting in large-scale dilution). If such likelihood of damage has arisen, the degree of the likelihood of damage to corporate value or shareholder value.
8. Whether there is or was any direct or indirect capital relationship or loan / borrowing relationship between the Identification Subject and the Large-scale Purchaser.
9. Whether, between the Identification Subject and the Large-scale Purchaser, there is or was a direct or indirect relationship of concurrent service of officers, familial relationship (including common-law marriage and other comparable relationship; hereinafter the same), business relationship, or personal relationship formed through a shared alma mater or other community affiliation, or a personal relationship such as one that is formed by the fact that

one person is or was an employee, partner or member of the other person.

10. Whether the exercise of shareholder rights (common interest rights) by the Identification Subject against the Company conformed with the exercise by the Large-scale Purchaser. If such exercise conformed, the degree of conformity in light of the type, details, results of the shareholder rights, and so on (this Paragraph 10 cannot be the only basis for identifying an Unqualified Person).
11. Whether the behavior etc. of the Identification Subject related to the business or management policy of the Company is similar to that of the Large-scale Purchaser. If there is similar behavior etc., the degree of similarity in light of the timing and details of such behavior etc. (this Paragraph 11 cannot be the only basis for identifying an Unqualified Person).
12. Whether the Identification Subject's agent or advisor belongs or belonged to the same office, corporation or group as the Large-scale Purchaser, has a business alliance, has worked together on similar matters, and / or has a familial relationship or other personal relationship with the Large-scale Purchaser, or has any other relationship which facilitates communication of intent with the Large-scale Purchaser (whether direct or indirect).
13. Whether there are any other direct or indirect facts that suggest that the Identification Subject has communicated its intent to the Large-scale Purchaser.

### **Exhibit 3**

#### **Information Sought from the Large-scale Purchaser**

1. Details (including names, nature of business, history or background, capital structure, financial details, experience in businesses similar to the business of the Company and its group companies) of the Large-scale Purchaser and its group (including joint holders, specially related parties, partners (in the case of a fund), and other members).
2. The purpose, method, details, etc. of the Large-scale Purchase etc. (including the amount and type of consideration for the Large-scale Purchase etc., the timing of the Large-scale Purchase etc., mechanism of transactions related to the Large-scale Purchase etc., lawfulness of the method of the Large-scale Purchase etc., and feasibility of the Large-scale Purchase etc. and related transactions).
3. Basis for calculation of the purchase price of the Company shares for the Large-scale Purchase etc. (including facts that are the basis for the calculation, method of calculation, numerical information used for the calculation, and details of synergies expected to arise from the series of transactions related to the Large-scale Purchase etc.).
4. Funding sources for the Large-scale Purchase etc. (including the specific names of fund providers (including substantial providers), procurement methods, and details of related transactions).
5. Candidates for officers of the Company and its group companies (including information related to their experience in businesses similar to the business of the Company and its group companies), management policies, business plans, financial plans, capital policies, dividend policies, and asset utilization measures for the Company and its group companies envisioned after the completion of the Large-scale Purchase etc.
6. Whether, after the completion of the Large-scale Purchase etc., there will be any changes to relationships among the Company and its group companies and their customers, transaction partners, employees and other stakeholders, and if there will be such changes, the details of such changes.