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Securities code: 6445

June 5, 2025

To Shareholders with Voting Rights:

Makoto Saito
President
JANOME Corporation
1463 Hazama-machi, Hachioji-shi,
Tokyo, Japan

**NOTICE OF
THE 99th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 99th Annual General Meeting of Shareholders of JANOME Corporation (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken electronic provision measures, which provide information contained in the Reference Documents, etc. for the General Meeting of Shareholders (the matters subject to electronic provision measures) in electronic format, and has posted the matters on its website. Please access the following website to view the matters (some contents available only in Japanese).

The Company website: https://www.janome.co.jp/ir/ir_meeting.html

In addition to the above website, the Company has posted the matters on the Tokyo Stock Exchange (TSE) website. To view the matters, please access the following website, enter the name or securities code (6445) of the Company, and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information” in this order.

Tokyo Stock Exchange (TSE) website (Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Shareholders who are unable to attend the meeting in person may exercise their voting rights in writing or via the Internet. Please kindly read the Reference Documents for the General Meeting of Shareholders given below and vote by the end of business hours (5:30 p.m.) on Thursday, June 19, 2025 Japan time.

■ Exercise of voting rights in writing (by postal mail)

Please indicate your approval or disapproval of each proposal on the Voting Rights Exercise Form enclosed with this notice of convocation, and send it by postal mail to arrive by the above-mentioned deadline for exercising your voting rights.

■ Exercise of voting rights via the Internet

Please read the “Guide to Exercising Voting Rights via the Internet” of the Japanese meeting notice document and follow the instructions on the screen to enter your approval or disapproval of each proposal by the above-mentioned deadline for exercising your voting rights.

- 1. Date and Time:** Friday, June 20, 2025 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m.)
- 2. Place:** Utage, 4F, Keio Plaza Hotel Hachioji,
14-1, Asahi-cho, Hachioji-shi, Tokyo, Japan
(Please refer to the map of the General Meeting of Shareholders venue
provided at the end of the Japanese document.)
- 3. Meeting Agenda:**
Matters to be reported: 1. The Business Report and Consolidated Financial Statements for the
Company's 99th Fiscal Year (April 1, 2024–March 31, 2025) and results
of audits by the Accounting Auditor and the Audit & Supervisory
Committee of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 99th Fiscal
Year (April 1, 2024–March 31, 2025)
- Proposals to be resolved:**
Proposal 1: Appropriation of Surplus
Proposal 2: Election of Seven (7) Directors (excluding Directors who are Audit and
Supervisory Committee Members)
Proposal 3: Renewal for the Measures Against Large-Scale Acquisitions of its Shares

Notes:

1. Shareholders attending the meeting in person are kindly requested to submit the enclosed Voting Rights Exercise Form to the receptionist at the meeting.
 - Shareholders who require sign-language interpreting or assistance may be accompanied by an interpreter or caregiver to attend the meeting.
 - The venue has a dedicated space for attending shareholders in wheelchairs or with other assistive devices. Our staff members will guide their entry into the venue. Please do not hesitate to ask staff members who stand by in front of the room Utage on the fourth floor in the Keio Plaza Hotel Hachioji.
2. Among the matters subject to electronic provision measures, the following matters have not been provided in the paper copy to shareholders who have made a request for delivery of documents in accordance with laws and regulations and the Company's Articles of Incorporation. The Audit & Supervisory Committee and the Accounting Auditor have audited these matters as well.
 - "Systems to Ensure Appropriateness of Business Operations (Internal Control Systems) and the Status of Operation of the Systems" and "Basic Policy Regarding Control of the Company" in the Business Report
 - "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
 - "Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
 - "Accounting Auditor's Report on Consolidated Financial Statements," "Accounting Auditor's Report on Non-consolidated Financial Statements," and "Audit & Supervisory Committee's Report" in the Audit Reports
3. Any amendments to the matters subject to electronic provision measures will be posted on the websites where the matters have been posted.

Reference Documents for the General Meeting of Shareholders

Proposals and References

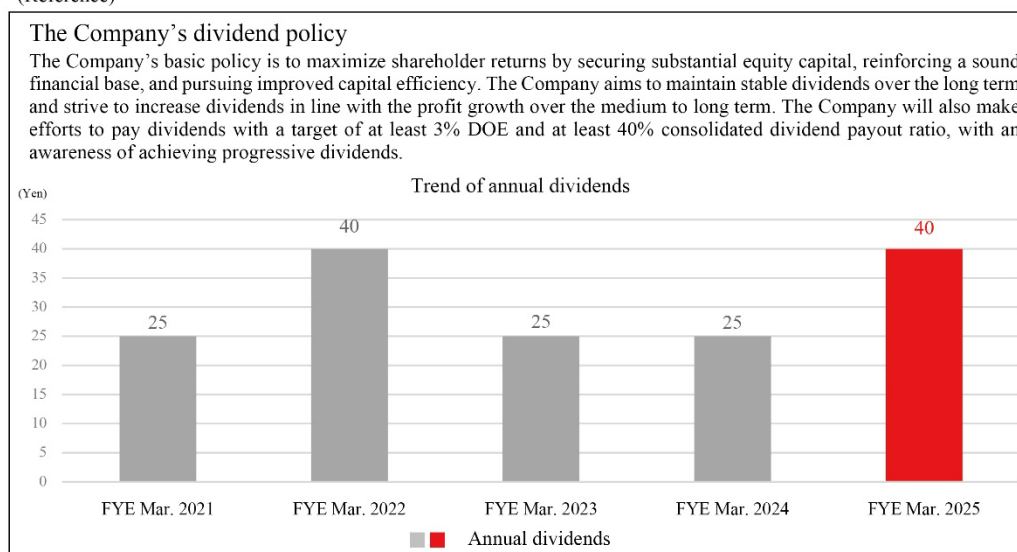
Proposal 1: Appropriation of Surplus

The Company proposes the following appropriation of surplus for the fiscal year ended March 31, 2025 in light of the business performance of the current fiscal year and future business development.

Accordingly, the year-end dividend for the fiscal year ended March 31, 2025 will be ¥25 per share, and the annual dividend will be ¥40 per share, including the already paid interim dividend of ¥15 per share.

1. Type of dividend property
Cash
2. Matters concerning allotment of dividend property to shareholders and total amount thereof
¥25 per share of the Company's common stock, for a total of ¥452,714,575
3. Effective date of distribution of surplus
June 23, 2025

(Reference)



Proposal 2: Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the close of this Meeting. Accordingly, the Company proposes the election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members).

Taking into consideration the nomination policy, suitability of each candidate, and other factors, the Audit & Supervisory Committee expressed the opinion that the election of the candidates as Directors (excluding Directors who are Audit and Supervisory Committee Members) is appropriate.

Reference:

Method and Procedures for Selecting Candidates for Directors:

The candidates for Director were decided from a wide variety of people in line with the following nomination policy, and selected by the Board of Directors after it received a report from the Nomination and Compensation Advisory Committee which deliberated on the matter.

- 1) Persons with abundant expertise and experience to execute and manage the businesses of the Janome Group.
- 2) Persons with thorough understanding of their social responsibilities and missions as a director and sublime self-discipline to accurately and fairly pursue the executions and management of the businesses of the Janome Group.

The candidates for Outside Director were decided from a wide variety of people in line with the following nomination policy, and selected by the Board of Directors after it received a report from the Nomination and Compensation Advisory Committee which deliberated on the matter.

- 1) Persons deemed to possess no potential reason to have any conflict of interest with the general shareholders of JANOME Corporation.
- 2) Persons with thorough understanding of the Company's corporate philosophy and their social responsibilities and missions as directors.
- 3) Persons who understand fully the role of the outside directors, possessing the capacity to supervise the internal directors and the management as well as to voice accurate and proper opinions and advice by capitalizing on their profound expertise in corporate management, economics, legal affairs, finance/accounting, tax practice and/or audit.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings (FY 2024)
1 [Reappointment]	Makoto Saito (Age: 70) (Male)	Representative Director, President, In charge of Internal Audit Department	19/19 (100%)
2 [Reappointment]	Takeyuki Oshima (Age: 61) (Male)	Director, Vice-President, In charge of Home Appliance International Business Division, In charge of Home Appliance Domestic Business Division	19/19 (100%)
3 [Reappointment]	Hitoshi Doi (Age: 63) (Male)	Director, Senior Managing Officer, Management Planning Division Head, Administration Division Head	19/19 (100%)
4 [New appointment]	Yukio Hosaka (Age: 64) (Male)	Senior Managing Officer, Research & Development Division Head, General Manager of Element Development Department	—

No.		Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings (FY 2024)
5	[Reappointment] [Outside] [Independent]	Fumiaki Nakajima (Age: 65) (Male)	Director	19/19 (100%)
6	[Reappointment] [Outside] [Independent]	Yasuyo Tanaka (Age: 68) (Female)	Director	19/19 (100%)
7	[New appointment] [Outside] [Independent]	Mieko Hosaka (Age: 56) (Female)	—	—

[New appointment]: Newly appointed Director, [Reappointment]: Reappointed Director, [Outside]: Outside Director, [Independent]: Independent Director in accordance with the rules of the Tokyo Stock Exchange.

Note: Ages of candidates indicate the ages as of June 20, 2025.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Makoto Saito (January 31, 1955) (Male) [Reappointment] [Number of years as Director] 8 (at the close of this Meeting) [Attendance at the Board of Directors meetings] 19/19 (100%)	April 1978 April 2011 April 2015 June 2017 April 2018 June 2019 April 2023	Joined the Company Corporate Officer Managing Officer Director Senior Managing Officer President, In charge of Internal Audit Department (current position) Representative Director, President (current position)	64,000
	[Reason for nomination as candidate] Since joining the Company, Mr. Makoto Saito has worked and supervised mainly in the fields of production management and R&D. He has considerable experience and an extensive track record in business, with accomplishments such as building a functional production and development system in response to globalization. As representative director, he has demonstrated strong leadership in efforts to enhance the corporate value of the entire Group. Considering his experience and knowledge, the Company proposes to reelect him as Director.			
2	Takeyuki Oshima (October 16, 1963) (Male) [Reappointment] [Number of years as Director] 3 (at the close of this Meeting) [Attendance at the Board of Directors meetings] 19/19 (100%)	April 1987 June 2017 April 2021 June 2022 October 2023 April 2024 August 2024	Joined the Company Corporate Officer Managing Officer Director (current position) In charge of Home Appliance International Business Division, In charge of Home Appliance Domestic Business Division (current position) Vice-President (current position) Chairman of Janome Credia Co., Ltd. (current position)	15,100
	[Significant concurrent positions] Mr. Takeyuki Oshima is concurrently assuming Chairman of Janome Credia Co., Ltd., a wholly owned subsidiary of the Company, to which the Company contracts out system operation and management, etc. [Reason for nomination as candidate] Mr. Takeyuki Oshima has worked and supervised mainly in the field of administrative operations since joining the Company. He has considerable experience and an extensive track record in general affairs, human resources, accounting, and other areas. In addition, he has been working on building up a sales structure to strengthen profitability as an officer in charge of the Home Appliance International Business Division and the Home Appliance Domestic Business Division. Considering his experience and knowledge, the Company proposes to reelect him as Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
3	Hitoshi Doi (March 17, 1962) (Male) [Reappointment] [Number of years as Director] 5 (at the close of this Meeting) [Attendance at the Board of Directors meetings] 19/19 (100%)	April 1985 April 2020 June 2020 April 2021 October 2023 August 2024	Joined Saitama Bank, Limited (currently Resona Bank, Limited) Managing Officer, the Company Director (current position) Senior Managing Officer (current position) Administration Division Head (current position) Management Planning Division Head (current position)	25,400
	[Reason for nomination as candidate] As Administration Division Head, Mr. Hitoshi Doi has considerable experience and an extensive track record in business, with accomplishments such as implementing the further enhancement of corporate governance and programs to develop various skills of human resources and support their activities. In addition, as Management Planning Division Head, he has been drafting and pursuing company-wide management and financial strategies based on the Mid-term Business Plan. Considering his experience and knowledge, the Company proposes to reelect him as Director.			
4	Yukio Hosaka (May 2, 1961) (Male) [New appointment] [Number of years as Director] — [Attendance at the Board of Directors meetings] —	April 1985 April 2017 April 2019 June 2021 October 2022 April 2023	Joined the Company Corporate Officer Managing Officer Research & Development Division Head (current position) General Manager of Element Development Department (current position) Senior Managing Officer (current position)	18,900
	[Reason for nomination as candidate] Since joining the Company, Mr. Yukio Hosaka has worked and supervised mainly in the field of R&D. He has considerable experience and an extensive track record in business, with accomplishments such as the development of products accurately capturing market demands. He has worked to enhance our research base through efforts including the promotion of open innovation as the head of the R&D division. In addition, he has experienced working in overseas production subsidiaries for the production control management and in the field of industrial equipment division to strengthen the sales framework for business growth. Considering his experience and knowledge, the Company proposes to elect him as Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
5	Fumiaki Nakajima (November 3, 1959) (Male)	April 1983	Joined Showa Electric Wire and Cable Co., Ltd. (currently SWCC Corporation)	0
	[Reappointment]	June 2016	Representative Director and President	
	[Outside]	June 2019	Director, the Company (current position)	
	[Independent]	April 2020	Outside Director and Audit and Supervisory Committee Member, Tokyo Water Co., Ltd. (current position)	
	[Number of years as Director] 6 (at the close of this Meeting)	January 2021	Executive Officer, Deputy General Manager of International Division, Senshu Electric Co., Ltd. (current position)	
	[Attendance at the Board of Directors meetings] 19/19 (100%)	[Significant concurrent positions] Outside Director and Audit and Supervisory Committee Member, Tokyo Water Co., Ltd.; Executive Officer, Deputy General Manager of International Division, Senshu Electric Co., Ltd.		
[Reason for nomination as candidate and expected roles] Mr. Fumiaki Nakajima possesses extensive business experience as a corporate executive of multiple companies in Japan and abroad. Based on his broad insight and extensive track record, he has provided appropriate advice and supervision of the Company’s management from an independent and objective standpoint. In addition, as a member of the Nomination and Compensation Advisory Committee and a member of the Sustainability Advancement Committee, he has actively expressed his opinions and has significantly fulfilled his responsibilities as a member of the committees. In light of the above, the Company expects him to continue to supervise management from an objective standpoint based on his extensive experience and broad insight and proposes to reelect him as Outside Director.				
6	Yasuyo Tanaka (August 13, 1956) (Female)	March 1979	Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corp.)	0
	[Reappointment]	June 2011	Representative Director & President, Asahi Kasei Ability Corp.	
	[Outside]	April 2014	Representative Director & President, Asahi Kasei Amidas Corp.	
	[Independent]	June 2022	Director, the Company (current position)	
	[Number of years as Director] 3 (at the close of this Meeting)			
	[Attendance at the Board of Directors meetings] 19/19 (100%)			
[Reason for nomination as candidate and expected roles] Ms. Yasuyo Tanaka has a deep knowledge of human resource development and supporting a work-life balance at a company. She has extensive experience and a proven track record as a business executive, having promoted diversity including expansion of woman’s participation at work place. She has supervised the Company’s management from an objective standpoint utilizing her extensive experience and deep knowledge. In light of the above, the Company proposes to reelect her as Outside Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	<p>Mieko Hosaka (October 18, 1968) (Female)</p> <p>[New appointment] [Outside] [Independent]</p> <p>[Number of years as Director] —</p> <p>[Attendance at the Board of Directors meetings] —</p>	<p>April 1995 Registered as attorney, Joined Okinobu, Ishihara & Sei Law Office (currently Spring Partners)</p> <p>August 2002 Joined Freshfields Bruckhaus Deringer (currently Freshfields LLP)</p> <p>August 2006 Joined Gaikokuho Kyodo-Jigyo Horitsu Jimusho Linklaters</p> <p>February 2012 Managing Partner, Fiore International Law Office</p> <p>May 2017 Joined Studio Legale Pavia e Ansaldo</p> <p>May 2020 Managing Partner, PeA Law Office (affiliate office of Studio Legale Pavia e Ansaldo) (current position)</p> <p>June 2021 Outside Director, P.S. Mitsubishi Construction Co., Ltd. (currently PS Construction Co.,Ltd.) (current position)</p> <p>[Significant concurrent positions] Managing Partner, PeA Law Office; Outside Director, PS Construction Co.,Ltd.</p>	0
<p>[Reason for nomination as candidate and expected roles]</p> <p>Ms. Mieko Hosaka has extensive experience and broad insight as an attorney. She is also well-versed in corporate legal affairs and laws in countries outside Japan. In light of the above, the Company expects her to supervise the Company's management from an objective standpoint based on her expertise and proposes to elect her as Outside Director.</p>			

Notes: 1. There is no significant interest between each candidate and the Company.

2. Mr. Fumiaki Nakajima, Ms. Yasuyo Tanaka and Ms. Mieko Hosaka satisfy the Independence Criteria established by the Company, and have been registered as independent directors in accordance with the rules of the Tokyo Stock Exchange. Visit the Company's website for details on the Independence Criteria for Outside Directors established by the Company.

(Corporate website*: <https://www.janome.co.jp/esg/governance.html>) *available only in Japanese

3. The Company has entered into a liability limitation agreement with Mr. Fumiaki Nakajima and Ms. Yasuyo Tanaka in accordance with the provisions in Article 427, Paragraph 1 of the Companies Act and Article 30 of the Articles of Incorporation. In regard to the contents of the said agreement, liability for damages in Article 423, Paragraph 1 of the Companies Act shall be within the limit established by laws and regulations. The Company will continue said agreement with both candidates, Mr. Fumiaki Nakajima and Ms. Yasuyo Tanaka if their election is approved. If the election of Ms. Mieko Hosaka is approved, the Company plans to enter into the said agreement with her.

4. The Company has entered into a directors and officers liability insurance (D&O insurance) agreement provided in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all Directors as the insured persons. If this proposal is approved as proposed and each candidate is appointed Director, said candidates will be insured under said insurance policy. In the event a claim for compensation for damages is brought by shareholders, third party, or other party against an insured Director in relation to the performance of his or her duties, said insurance policy will cover costs such as damages and legal dispute expenses borne by the insured. However, there are certain exemptions: for example, damages incurred due to an act carried out with awareness that it is in violation of the law or regulation will not be covered. The Company bears the entire cost of the premium, including for riders, and the insured shall in effect bear none of the cost of the premium. When it is time to renew the policy, the Company plans to renew it with approximately the same contents.

(Reference)

Based on our Business Philosophy of “aiming to promote people’s creativity and contribute to prosperity all over the world” and “improving society and culture by consistently providing valuable products and services,” the Company aims to achieve sustainable growth and increase its corporate value over the medium to long term while flexibly responding to a rapidly changing business environment, and is committed to strengthening its governance structure and promoting management with sustainability as its main focus. Recognizing that the sharing of diverse values among the Board of Directors members is indispensable to achieve these goals, the Company’s Board of Directors is composed of individuals with skills that the entire Board should be equipped with.

If Proposal 2 is approved as originally proposed, the composition of the Board of Directors will be as described in the skill matrix of Directors. The total number of Directors will be eleven (11), of which five (5) are independent Outside Directors and three (3) are female Directors.

Reasons for the selection of skill categories in the skill matrix

Overall corporate management	To achieve its management philosophy and long-term vision and increase its corporate value through sustainable growth, the Company needs directors who have experience in management and a track record as a business operator. Additionally, to further grow by pursuing new possibilities and developing a business portfolio strategy beyond the Home Appliance Business, the Industrial Equipment Business, and the IT Business, the Company needs directors who have experience in management and a track record as a business operator in various industries.
Research/ Technology	To promote the sophistication of the development system that enables us to launch products in line with the business strategies in a timely manner (i.e., at appropriate timing) as well as to develop innovative products tailored to consumer needs and incorporated with high specification, uncompromising quality and advanced technologies, the Company needs directors who have extensive experience and deep insight in the fields of research/development and technology.
Production/ Procurement	To bring enhanced-performance and high-quality products to market, keep improving production reliability, and establish a firm reputation for the “Janome standard of quality,” the Company needs directors who have extensive experience and deep insight in the fields of production and procurement, for example, on speedy delivery of attractive products meeting market needs and cost reduction and productivity enhancement in consideration of producing right products in right places as well as the development and enhancement of global supply chain.
Sales/ Marketing	To establish and strengthen brand identity and release products for market share expansion in the Home Appliance Business and also to promote the strengthening of sales and profitability by focusing on key markets and increasing sales of high value-added products in the Industrial Equipment Business, the Company needs directors who have deep insight on the development of sales and marketing strategies.
Global	To further grow as a global company by promoting global business development while not only focusing on key markets but also on growing markets, the Company needs directors who have overseas business management experience and are familiar with local lifestyles and business environments.
Human resource strategy	To create a virtuous cycle of higher job satisfaction and stronger business promotion capabilities by driving management strategy-linked human resources strategies to deepen human capital value, the Company needs directors who have deep insight on human capital management, such as diversity promotion and other matters in the field of human resource development.

IT/DX	To drive the Group's digital transformation (DX) strategy, which aims to improve productivity and increase revenue by enhancing DX contributing to increasing value through cooperation with the Home Appliance Business and the Industrial Equipment Business, as well as to forge ahead with entry into IT areas at a level where the Company can establish a solid position as an IT partner by proposing speedy and optimal IT solutions tailored to diversifying needs of its client companies, the Company needs directors conversant with IT/DX-related fields.
Finance/ Accounting	To achieve both financial soundness and capital efficiency, the Company needs directors who can provide accurate financial reporting, establish a solid financial foundation and have deep insight on finance and accounting related to the formulation of management strategy-linked financial strategies and capital policies including shareholder returns.
Legal affairs/Risk management	To further strengthen the management oversight function of the Board of Directors and establish an appropriate governance structure, the Company needs directors with legal expertise as well as deep insight on risk management.
SDGs/ESG	To promote sustainable growth of the Company based on materiality initiatives and to pursue the realization of a sustainable society, the Company needs directors with deep insight in the field of sustainability, including environmental contribution and corporate governance.

Skill matrix of Directors

Positions at the Company/ Name	Attribute	Field of expertise and experience									
		Overall corporate management	Research/Technology	Production/Procurement	Sales/Marketing	Global	Human resource strategy	IT/DX	Finance/Accounting	Legal affairs/Risk management	SDGs/ESG
Representative Director, President Makoto Saito		◎	◎	◎		◎				○	○
Director, Vice-President Takeyuki Oshima		○			◎		◎	○	◎	○	○
Director, Senior Managing Officer Hitoshi Doi		○			◎		◎	○	◎	○	○
Director, Senior Managing Officer Yukio Hosaka		○	◎	○	○	○		○		○	○
Director Fumiaki Nakajima	[Outside] [Independent]	●		●	●	●					●
Director Yasuyo Tanaka	[Outside] [Independent]	●					●	●			●
Director Mieko Hosaka	[Outside] [Independent]	●				●				●	
Director Audit and Supervisory Committee Member Mitsuhiro Sakizuki		●							●		
Director Audit and Supervisory Committee Member Ryoji Shimada	[Outside] [Independent]	●							●		
Director Audit and Supervisory Committee Member Mamoru Sumida	[Outside]	●							●		
Director Audit and Supervisory Committee Member Nozomi Kurahashi	[Outside] [Independent]	●								●	

* ○ indicates that the relevant Director satisfies the requirements of the skill category. Among them, ◎ represents the field in which the Company particularly expects the relevant Director to make a contribution.
● represents the field in which the Company particularly expects the relevant Outside Director or Director who is an Audit and Supervisory Committee Member to make a contribution.

Proposal 3: Renewal for the Measures Against Large-Scale Acquisitions of its Shares

JANOME Corporation (the “Company”) hereby announces that a meeting of the Board of Directors was held today, at which it resolved to revise certain portions of its basic policy concerning the appropriate role of parties who control decisions on the Company’s financial and business policies (as defined in Article 118, Paragraph 3 of the Enforcement Regulations of the Companies Act; hereinafter referred to as the “Basic Policy”), according to the announcement of “Notice of JANOME Corporation’s Basic Policy on Company Control and the Introduction of Measures Against Large-Scale Acquisitions of Its Shares” as of May 22, 2025.

With the aim of ensuring and enhancing the Company’s corporate value and the common interests of its shareholders, and to prevent decisions on the Company’s financial and business policies from being controlled by parties deemed inappropriate under the Basic Policy (as specified in Article 118, Paragraph 3, Item (ii) of the Enforcement Regulations of the Companies Act), the Company has also resolved to introduce a response plan regarding large-scale acquisitions of its shares (hereinafter referred to as the “Plan”).

The Plan has been adopted by resolution of the Company’s Board of Directors on May 22, 2025 and is effective from the same date. Its initial effective period will expire at the conclusion of the first meeting of the Company’s Board of Directors to be held after the 99th Annual General Meeting of Shareholders, scheduled for June 2025 (the “General Meeting”). Accordingly, the Company requests approval for this proposal to renewal of the Plan.

I. Background of the introduction of the Plan

The Company held meetings with MM Investments Co., LTD. (“MM”) on October 17 and November 21, 2024 (collectively the “Meetings”). During the Meetings, the Company was informed that MM is considering bringing the Company under the umbrella of Mitsui Matsushima Holdings Co., Ltd. (the wholly owning parent company of MM; hereinafter “Mitsui Matsushima HD”) as one of its future options.

Following the Meetings, MM filed a large shareholding report on November 29, 2024, stating that it held a 5.03% shareholding ratio (corresponding to 5.42% of voting rights) in the Company. Since then, MM has continued to acquire the Company’s shares (such purchases of the Company’s shares by MM are hereinafter referred to as the “Share Buyup”). According to an amendment report No.2 dated March 26, 2025, MM’s shareholding ratio had increased to 8.34% (8.54% of voting rights) as of March 18, 2025.

As noted above, MM has indicated its intention to bring the Company under the umbrella of Mitsui Matsushima HD. Nevertheless, in the large shareholding report and in subsequent amendment reports regarding the Company’s shares, MM stated that the purpose of holding the Company’s shares was “pure investment” and marked the section concerning material proposals as “not applicable.” In light of this situation, concerns have arisen regarding MM’s true intentions and objectives behind the share acquisition. In response, on February 17, 2025, the Company formally requested that MM provide detailed explanations concerning the specific purpose of the acquisition, the expected acquisition price, the number of shares to be acquired, its management policies, and other related matters. However, MM has not provided adequate or specific responses to these requests.

The Company is concerned that the share purchase by MM, along with other acquisitions of the Company’s shares, may develop into a large-scale acquisition (as defined in Section 3.(1) below; the same shall apply hereinafter). Such actions may pose a significant risk to the company’s operations, while failing to provide sufficient information or adequate time for consideration to the Company or the Company’s general shareholders. Furthermore, the Company believes that MM’s share purchase could have coercive effects, effectively pressuring general shareholders, particularly those concerned about the surrounding circumstances, into selling their shares.

The Company also believes that such large-scale acquisitions may violate Principle 3 (the Principle of Transparency) outlined in the “Guidelines for Corporate Acquisitions” issued by the Ministry of Economy, Trade and Industry on August 31, 2023. This principle stipulates that acquirers should appropriately and proactively provide information that is useful for shareholders’ decision-making. (See Section 2.1 of the Guidelines.)

Based on the above, the Company’s Board of Directors has concluded that, in order to ensure that shareholders are provided with sufficient information and time to make appropriate decisions regarding the potential impact of any large-scale acquisition by MM or other parties on the Company’s corporate value and shareholders’ common interests, and to enable the Company’s Board of Directors to negotiate or consult with the large-scale acquirer (as defined in Section 3(1) below) regarding such acquisition or the Company’s management policies, any such acquisition should be carried out in accordance with procedures established by the Company’s Board of Directors.

The Company's Board of Directors believes that requiring large-scale acquisition transactions to follow these procedures is in the best interest of maximizing the Company's corporate value and protecting the collective interests of its shareholders.

As a result, the Company's Board of Directors has decided today to revise certain portions of its basic policy and to introduce the Plan. The introduction of the Plan was approved by all directors at the Board of Directors meeting of the Company, including six outside directors (three of whom are members of the Audit and Supervisory Committee).

The primary purpose of introducing the Plan is to address large-scale acquisitions by MM or other parties in light of the already concrete share purchase.

II. Basic Policy on Persons Who Control Decisions on the Company's Financial and Business Policies

The Company believes that those who control decisions on its financial and business policies should have a sufficient understanding of the Janome Group's finances, operations, and sources of corporate value, and be capable of securing and enhancing the corporate value and, ultimately, the common interests of its shareholders in a continuous and sustainable manner.

The Company does not categorically oppose large-scale purchases of its shares by specific parties, provided such purchases contribute to securing and enhancing corporate value and shareholders' common interests. The Company believes that whether to accept such a purchase should ultimately be determined based on shareholders' intent.

However, there are many cases in which large-scale purchases of shares do not contribute to the corporate value of the target company or to shareholders' common interests. These include purchases that, based on their objectives, are considered to cause clear harm to corporate value and, ultimately, shareholders' common interests; those that effectively coerce shareholders into selling their shares; those that fail to provide the target company's board of directors and shareholders with sufficient time or information to evaluate the large-scale purchase, and for the board to develop alternative proposals; and those that require the target company to engage in discussions and negotiations with the acquirer to obtain more favorable terms than initially presented.

As a leading manufacturer of home-use sewing machines, the Company has pursued its research and development of high-quality, high value-added products, and has been widely supported by customers around the world for its "Janome standard of quality." Its corporate value is believed to lie in its proven technical capabilities and human assets, which support a manufacturing culture that enables the development of high-quality, high-value-added products, as well as in its brand and global network, built through long-standing relationships of trust with customers. This corporate value and, ultimately, shareholders' common interests may be undermined if a large-scale purchaser of the Company's shares lacks a sufficient understanding of these sources of corporate value or the ability to maintain and enhance them over the medium to long term. Accordingly, the Company believes that any party engaging in a large-scale purchase that does not contribute to corporate value or shareholders' common interests should not be in a position to control decisions on its financial and business policies. To safeguard its corporate value and, ultimately, shareholders' common interests, the Company considers it necessary to take appropriate countermeasures against large-scale purchases by such parties.

III. Sources of the Company's Corporate Value and Special Initiatives to Support the Basic Policy

1. Sources of the Company's corporate value

The Company established the world's first general research center for sewing machines in 1964, the 39th year of Showa era, and has since pursued its research and development of high quality and high value-added products as a leading home-use sewing machine manufacturer. The industrial equipment segment of Janome's business, initiated by applying technological strengths nurtured over the history of successful home-use sewing machine production, expanded its technological reach from desktop robots into high-spec SCARA robots and servo presses, and has developed an industry customer base ranging from automobile and smartphone related precision mechanical equipment manufacturers to research institutes and universities, as well as the food industry. Janome products, widely supported for having the "Janome standard of quality" by many customers around the world, are produced in three factories, the Tokyo Factory, located within Janome Headquarters in Hachioji, Tokyo, Taiwan

and Thailand. Janome headquarters strictly monitor and control the production progress so that all the factories maintain optimal production allocation. The Tokyo Factory, serving as the Mother Factory, produces home-use sewing machines and industrial equipment. The manufacturing technological expertise amassed over the long history of the Tokyo Factory has been introduced to the Taiwan and the Thailand Factories.

In order to sustain and enhance the Company's corporate value amid today's rapidly changing society, it is essential to continuously refine the sources of corporate value, expedite the development and production cycles without compromising high quality standards, and accurately capture customer needs and provide products that reflect those needs.

2. Initiatives for enhancing corporate value

The Group aims to be a corporate group that grows sustainably over the medium to long term. Rather than being satisfied with short-term growth in company size and sales, the Group believes that its goal and challenge is to become a company that can continue to grow by utilizing the income it earns by making steady efforts to contribute to the betterment of society and culture through the provision of its products and services. The profits earned from the Group's products and services are expected to lead the Group to the next stage of growth.

While there are various factors that contribute to the growth of a company, the Company believes that its strength lies in the credibility that it has cultivated since its establishment, and that the foundation of the credibility is the reputation for the quality of its products. The Group plans to continue its efforts to maintain and improve quality without being satisfied with the status quo, and to this end, the Group will undertake the following specific initiatives to enhance corporate value.

(1) Promotion of Sustainability Governance Management

The Group aims to enhance its corporate value in a sustainable manner, by which it means not only the sustainability of its business management and business model, but also that, as a prerequisite, the sustainability of the society, environment, and economy in which it exists and operates.

The Group has always recognized that it is its social responsibility to contribute to the realization of a sustainable society in light of the importance of ESG, and has been engaged in business activities from each of the ESG perspectives, selecting material issues (materiality) for sustainable growth among the goals of SDGs and working to achieve them. While continuing to adhere to this stance, the Group will strive to conduct business activities that not only avoid burdening society and the environment, but also take on the challenges of what it can do to contribute in various ways to a sustainable society and environment with a sense of mission considering these challenges as a part of its sustainable enhancement of corporate value.

(2) Mid-term Business Plan

The Group has formulated the Mid-term Business Plan, "Move! 2027," for a sustainable growth over the next 100 years, with the fiscal year ending March 31, 2026 as the first year of the plan. The plan sets out basic policies by strategy: in the Home Appliance Division, "Establish, strengthen brand identity/expand market share by launching new products;" in the Industrial Equipment Division, "Focus on key markets/strengthen sales of high value-added products to increase profitability;" and in the IT Division "Strengthen cooperation in the Group for improving other divisions' value and maintain profitability of existing business." In addition, the human resources strategy of "Building a virtuous cycle of higher job satisfaction and stronger business promotion capabilities," and the financial strategy of "Achieving sustainable growth through strategic allocation of cash generated" have been established. Each division will operate based on these policies.

The Home Appliance Division will conduct research and development in line with customer needs and improve the efficiency of the manufacturing system to launch high-function value-added products in mature markets such as the U.S. and Europe and optimize the product line in the growth markets such as India. The Industrial Equipment Division will strengthen the marketing activities in the key regions such as India and new areas, and enhance the profitability by increasing sales of high value-added products. The IT Division will strive for growth in existing areas, including software development, and expansion into new IT areas that will contribute to increasing the value of the Home Appliance and Industrial Equipment Divisions.

(3) Home Appliance Division

The Group views North America and Europe as key markets for home-use sewing machines, where it is striving to increase sales of high value-added products in particular. In other markets, the Group is striving to accurately identify the needs of each market, strengthen the service and support system, and promote brand recognition so to spread its products. In Japan, the Group will strive to achieve the top market share by disseminating information

through sales channels and social media, and by responding to customers' needs through exhibitions and workshops. The Group will continue its long-term activities of promoting the joy of making things by hand and the appeal of sewing machines.

On the other hand, the current business environment remains uncertain due to the prolonged situation in Ukraine and other geopolitical risks such as the growing tensions in the Middle East. The Group sells home-use sewing machines in many regions around the world, including key markets such as North America, Europe, and Oceania, as well as in Latin America, Asia, and the Middle East. Given the impact of the external environment in the future, the Group will promote the development of untapped and promising markets. The Group will also diversify risks by further strengthening its position in India, for example.

(4) Industrial Equipment Division

The Group's industrial equipment business is positioned as the second largest business field after the sewing machine business, with desktop robots, servo presses, and die casting products as its main business products. The Group's desktop robots are used in various factory processes for various applications including screw tightening and dispensing application, and its servo presses are used at many production sites because they are powered by servo motors, which offer high functionality, high precision, and environmental advantages not found in other press machines. Die-casting products are mainly used in automotive related equipment, precision instruments, and industrial robots. The Group expects the size of the market to grow as society becomes more carbon-neutral and the manufacturing industries' needs for labor-saving, automation, electrification and energy efficiency increases. However, there are issues to consider, such as heavy reliance on a specific market and the loss of research and development resources once electronic components reach end of life. To ensure financial stability, it is essential to develop a steady revenue stream. In order to realize this, the Group will continue to strengthen its technology and development capabilities, expand service and sales outlets particularly in promising and untapped markets, and establish stronger cooperative relationships with the Group's partners with proposal-driven sales for the development of new applications.

The downward trend in exports to China, which is positioned as an important market for industrial equipment, continues due to the impact of a trend toward cautious capital investment resulting from the economic slowdown. The business environment remained challenging due to the continued global impact of delayed capital investment projects. To mitigate risks and explore new markets, the Group has established a sales office in India.

Although there are various concerns at the moment, the market is expected to expand in the medium to long term due to the progress of digital transformation (DX) and changes in the Group's primary market, automotive industry. The Group will not limit its activities to existing fields, but actively pursue new business opportunities in areas such as healthcare and infrastructure, and strive to achieve an early recovery in its industrial equipment business.

(5) IT Division

In 1970, a group company, Janome Computer Center Inc. (now Janome Credia Co., Ltd.) was established to utilize the Company's computer processing expertise, which was developed through the introduction of an in-house computer system and to provide it to external parties. In the more than 50 years since, the Group has continued to evolve and adapt to the rapidly changing IT industry, providing reliable technology and support to its customers. As a result, the IT-related business has grown to become a major business segment of the Group.

The current strength of Janome Credia Co., Ltd. is the construction and management of systems based on in-house servers as the backbone. The skills required of IT companies are changing and diversifying in the rapid changes such as the surge of DX sweeping the industry while companies introducing cloud-based servers. For further growth as an IT company, the company needs to read the future of technology and accumulate experience in the areas that will evolve in the future. The Group sees the current situation as an opportunity, and thus, it will first accumulate experience in building systems for DX within. The Group will then offer this know-how as its strength to external parties in order to further increase sales and expand its business.

(6) R&D

Since its founding as the first domestic sewing machine manufacturer, the Company has continuously improved its technology and played a leading role in developing innovative functions. In the field of industrial equipment, the technology which is cultivated as a sewing machine manufacturer is applied and developed to realize the creation of highly functional and high-performance products and introduced them to the market.

The Company has earned a strong reputation among customers around the world as "Janome for Quality," and it is committed to developing and manufacturing products of even higher quality and durability to ensure trustworthy production. To realize the creation of the new value, the Company is introducing advanced digital

technologies, and is working to optimize and accelerate the development speed with improvement activities as a key priority. Furthermore, the Company is developing new elements and has a relationship with subsidiaries. In addition, the Company will provide appealing products that accurately meet market needs in a timely manner. Furthermore, with the optimal production sites and in-house manufacturing of parts in mind, the Group will continue to promote cost reduction and productivity improvement and build a flexible production system, while developing products that meet society's growing demand for environmentally friendly products and reducing the environmental impact of manufacturing processes.

(7) Human Capital

The Group believes that the ideal way of working for all employees is to work proactively and enthusiastically to promote the development of the Group's business, thereby improving the Group's competitiveness and labor productivity, and at the same time enabling the personal lives of employees to become fulfilling. In this regard, the Group will review its work styles and work arrangements, reduce overtime, and actively promote the use of paid annual leave. These challenges aim to boost labor productivity and improve work-life balance.

In terms of diversity, the Group will actively recruit women, non-Japanese, mid-career employees, and persons with disabilities to diversify its human resources. The Group will foster a sense of unity among employees, thereby enabling them to leverage their abilities in a rewarding work environment and feel that their identities are effectively contributing to achieving the Group's goals. The Group respects unconventional cultures, values, and different ways of thinking and welcome new ideas and sound conflicts, from which unforeseen innovation can be accomplished.

3. Strengthening of Corporate Governance

The Company has introduced the system of an Audit & Supervisory Committee to strengthen the audit and supervisory functions of the Board of Directors and to improve the fairness, transparency, and efficiency of management through rapid decision-making and business execution based on the delegation of authority.

The Board of Directors authorizes important management matters and supervise the execution of business activities. The current Board of Directors is composed of twelve (12) directors, of which six (6) are outside directors. Each outside director has extensive experience and deep insight in the fields such as corporate management, legal affairs, financial services, finance and/or accounting. They fulfill adequate supervising functions by providing appropriate supervision and expressing their opinions and suggestions from a fair and objective standpoint. Five of outside directors satisfy the Independence Criteria established by the Company, and have been registered as independent directors in accordance with the rules of the Tokyo Stock Exchange. The Company has established, as a consultation body of the Board of Directors, the Nomination and Compensation Advisory Committee for the purpose of deliberating on important matters concerning the nomination and compensation of directors and other officers, and ensuring objectivity and transparency in these matters. The Committee consists of four members (including two independent outside directors), and the chairperson is an independent outside director. As an advisory body to the Board of Directors, the Committee deliberates on matters related to the appointment, dismissal, and compensation of the Company's directors, executive officers, fellows, and other personnel.

The Audit & Supervisory Committee, by way of exercising its authority to make a statement on voting rights exercised at the Board of Directors as well as the nomination and the compensation of the director candidates at the general meetings of shareholders, audits legality and validity of the decisions of the Board of Directors and the executions of business activities by the executive directors. The committee ensures validity and efficiency of its audit by exchanging comments and insight as well as providing information to the periodical reports made by Internal Audit Department and Accounting Department.

The Risk Management Committee is organized to identify and proactively deal with the potential risks and to minimize their impact, in case a risk is materialized, for the Company's swift recovery back to the normal course of the business. The committee is chaired by the Division Director with the members consisting of those above the manager ranks. It is responsible for collecting information, developing the risk management systems and training employees. The committee monitors and conducts risk evaluation of the Company and the Group Companies, with whom the committee shares these findings so the risk shall be monitored and reduced. The Sustainability Advancement Committee, the Compliance Committee and other committees are organized to compose the system to monitor and control the overall risk of the Group, collectively with the Risk Management Committee.

In addition to the above, the Company is working to strengthen its corporate governance in accordance with the latest corporate governance code. For details on the Company's corporate governance structure, please refer to its

IV. Purpose and Details of the Plan

1. Purpose of the Plan

The purpose of introducing the Plan, in line with the Basic Policy set out above in section I, is to ensure and enhance the corporate value of the Company and ultimately the common interests of its shareholders.

The Company's Board of Directors believes that its shareholders should make a final decision on whether to accept a large-scale acquisition from the perspective of ensuring and enhancing the corporate value of the Company and ultimately shareholders' common interests. It also believes, for shareholders to make an appropriate decision on whether to accept the large-scale acquisition after sufficient consideration, it is necessary to hold a shareholders' intent confirmation meeting to secure an opportunity to confirm its shareholder's intent prior to the commencement of the large-scale acquisition. As a prerequisite for an appropriate intent confirmation, it is essential to secure necessary and sufficient information from a large-scale purchaser and enough time to enable its shareholders for consideration. Therefore, the Company set out the Plan as a framework in the event of a large-scale acquisition is implemented, to request large-scale purchasers to provide necessary information; to ensure that the provision of such information is effective; and to ensure sufficient time for the shareholders to carefully consider whether to implement the large-scale acquisition based on such information, as follows.

The Company's Board of Directors requests a large-scale purchaser to comply with the Plan as above. If a large-scale purchaser does not comply with the Plan, the Company will take certain countermeasures, respecting the Independent Committee's opinions to the maximum extent, to ensure an opportunity to obtain judgment of shareholders in accordance with the Plan.

2. Outline of the Plan

(1) Procedures for the Plan

The Company believes that its shareholders should make a final decision on whether to accept large-scale acquisitions, as mentioned above. Therefore, if the invocation of countermeasures is approved at a shareholders' intent confirmation meeting and the large-scale acquisition is not canceled, the Company will implement the specified countermeasures to ensure the corporate value of the Company and ultimately shareholders' common interests, respecting the opinions of the Independent Committee to the maximum extent.

In addition, the Plan requests a large-scale purchaser to provide required information as a prerequisite of the Company's shareholders' judgment, to ensure necessary time to carefully consider whether to accept the large-scale acquisition; and, based on this, to confirm the shareholders' intent on whether to accept the large-scale acquisition at a shareholder's intent confirmation meeting. If such purposes are not achieved, that is, if a large-scale purchaser does not comply with the procedures as defined in 3. below, and intends to carry out a large-scale acquisition prior to the shareholders' intent confirmation meeting described in 3. (2)(iv) below, the Company's Board of Directors will invoke the specified countermeasures, respecting the Independent Committee's opinions to the maximum extent.

(2) Establishment of the Independent Committee

The Company has established the Independent Committee under the Independent Committee Rules (for the outline, please refer to Appendix 1, and for the Independent Committee Members, please refer to Appendix 2) to properly operate the Plan, to prevent arbitrary judgements by the Company's Board of Directors, and to secure the objectivity and rationality of such decisions. The Independent Committee shall make recommendations to the Company's Board of Directors on whether to invoke countermeasures and other matters necessary to take actions in accordance with the Plan. The Company's Board of Directors shall determine the pros and cons of invoking countermeasures, respecting the recommendations of the Independent Committee to the maximum extent.

The Independent Committee may obtain advice from outside experts who are independent from the Board of the Directors and the Independent Committee, including financial advisers, attorneys, certified public accountants, tax accountants, consultants and other advisors, as necessary. The Company shall bear all costs incurred in obtaining such advice to a reasonable extent.

In principle, resolutions at meetings of the Independent Committee shall pass with a majority when all incumbent

members of the Independent Committee are in attendance. However, if a member of the Independent Committee is unable to attend a meeting or in other unavoidable circumstances, a resolution shall pass with a majority when a majority of the members of the Independent Committee are in attendance.

(3) Use of gratis allotment of Stock Acquisition Rights as a countermeasure

In case of invoking the countermeasure described as above (1), the Company will allot to all shareholders stock acquisition rights with (i) a discriminatory exercise conditions that non-qualified parties are not allowed to exercise the stock acquisition rights, and (ii) acquisition clauses to the effects that the Company may acquire the stock acquisition rights in exchange for common shares of the Company from shareholders other than non-qualified parties and that the Company may acquire the stock acquisition rights in exchange for different stock acquisition rights with certain exercise conditions or acquisition clauses from non-qualified parties, by means of a gratis allotment of stock acquisition rights (Article 277 and 279 of the Companies Act) (the “Stock Acquisition Rights”) to all shareholders (for details, please refer to 4 below.)

(4) Acquisition of the Stock Acquisition Rights by the Company

If a gratis allotment of Stock Acquisition Rights were to take place in accordance with the Plan and all shareholders other than non-qualified parties received the Company’s shares in exchange for the Company’s acquiring the Stock Acquisition Rights, the voting rights ratio in the Company held by the non-qualified parties would be diluted to a certain degree.

3. Details of the Plan (Measures to Prevent Decisions on the Company’s Financial and Business Policies from being Controlled by Persons Deemed Inappropriate Under the Basic Policy)

(1) Targeted large-scale acquisition

The term “large-scale acquisition” as used in the Plan refers to the following, excluding any act as the Company’s Board of Directors agrees in advance not to be subject to the Plan:

- (i) Purchases or other acquisitions of the Company’s share certificates, etc. (Note 3) with the aim of increasing the voting rights ratio (Note 2) of a specified shareholder group (Note 1) to 20% or more (including purchases and other acquisitions by such specified shareholder group in case the voting rights ratio of such specified shareholder group has reached 20% or more prior to such acts, including but not limited to market transactions, tender offers, and any other specific purchase method, as well as the commencement of a tender offer; hereinafter the same);
- (ii) Purchases or other acquisitions of the Company’s share certificates, etc. of that would result in the voting rights ratio of a specified shareholder group reaching 20% or more; or
- (iii) Regardless of whether any of the acts stipulated in items (i) and (ii) above is conducted, an act that is conducted between a specified shareholder group and one or more other shareholders of the Company and that constitutes an agreement or other act as a result of which the other shareholder(s) become(s) a joint holder of the specified shareholder group, or any act that establishes a relationship (Note 4) whereby the specified shareholder group or the other shareholder(s) substantially control(s) the other or they act jointly or in concert with each other (Note5), provided that would result in the total voting rights ratio of that specified shareholder group and the other shareholder(s) accounting for 20% or more.

In addition, the term “large-scale purchaser” refers to a party who conducts or is attempting to conduct a large-scale acquisition alone or jointly in concert with other parties, as above.

Note 1. Specified shareholder group refers to the following:

- (i) Holders of the Company’s share certificates, etc. (referring to the holder as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including those included in the holders based on Article 27-23, Paragraph 3 of the same Act) and their joint holders (referring to the joint holders as defined in Article 27-23, Paragraph 5 of the same Act, including those who are deemed to be joint holders based on Paragraph 6 of the same Article;)
- (ii) Parties who perform purchases of the Company’s share certificates, etc. (referring to the share certificates, etc. as defined in Article 27-2, Paragraph 1 of the same Act) (referring to the purchase, etc. as defined in Article 27-2, Paragraph 1 of the same Act, including those performed in the commodity market) and a specially related party (referring to a specially related party defined in Article 27-2, Paragraph 7 of the same Act); and
- (iii) Parties related with the above (i) or (ii) (referring to a group consisting of such parties and investment banks, securities firms and other financial institutions that have concluded financial advisory agreements with

such parties; any other parties who share a substantial common interest with such parties; tender offer agents, attorneys, accountants, tax accountants and other advisors; or those rationally recognized by the Company's Board of Directors as parties substantially controlled by, or acting in concert or coordination with such parties).

Note 2. The voting rights ratio refers to the following, depending on a specific acquisition method of specified shareholder group:

(i) The shareholding ratio of the holders of the Company's share certificates, etc. (referring to the share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act) and the shareholding ratio of the joint holders (referring to the ownership ratio of share certificates, etc. as defined in Article 27-23, Paragraph 4 of the same Act. In this case, the number of share certificates, etc. held by the joint holders of the relevant holder (referring to the number of share certificates, etc. held as defined in the same paragraph) is also taken into account in the calculation, provided that the "number of share certificates, etc. issued by that issuer (the divisor in the calculation of the shareholding ratio) as defined in the same paragraph" will be read as the "total number of the share certificates, etc. issued by that issuer (excluding the shares held as treasury shares by that issuers)"); or

(ii) The total shareholding ratio of the parties who perform purchases and other acts of the Company's share certificates, etc. (referring to the share certificates, etc. as defined in Article 27-2, Paragraph 1 of the same Act) and the specially related party of the relevant purchaser (referring to the ownership ratio of share certificates, etc. as defined in Article 27-2, Paragraph 8 of the same Act.)

In calculating the shareholding ratios, (a) a specially related party as defined in Article 27-2, Paragraph 8 of the same Act; (b) investment banks, securities firms and other financial institutions that have concluded financial advisory agreements with such parties, tender offer agents, underwriting securities companies, attorneys, accountants, tax accountants and other advisors of such parties; and (c) a party, who has acquired or succeeded the Company's share certificates from a party falling under (a) or (b) above through an off-market negotiated transactions or Tokyo Stock Exchange's on-market off-floor trading system (ToSTNet-1) are deemed joint holders of such holders under the Plan unless the Company's Board of Directors certifies that such party does not pose any problem from the perspective of ensuring and enhancing the corporate value of the Company and shareholders' common interests. Also, in calculating the shareholding ratio, joint holders (including those who are deemed joint holders in the Plan) are, under the Plan, deemed specially related persons of the party who performs the purchase and other acts. Please note that, in calculating the shareholding ratio or ownership ratio of share certificates, etc., the total number of issued shares (referring to those defined in Article 27-23, Paragraph 4 of the same Act), the number of treasury shares held by the issuer, and the total number of voting rights (referring to those defined in Article 27-2, Paragraph 8 of the same Act) may be referred to in the most recently submitted securities report, interim report and share certificate purchase status report.

Note 3. The term "Share certificates, etc." refers to the share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

Note 4. Determination as to whether a "a relationship whereby the specified shareholder group or the other shareholder(s) substantially control(s) the other or they act jointly or in concert with each other" has been established between them will be made based on certain factors such as the current or past capital relationship (including a relationship of joint control), business alliance relationship, business or contractual relationship, relationship of interlocking directorate, financing relationship, credit granting relationship, purchase status of the Company's share certificates, etc., and a substantial interest in the Company's share certificates, etc. through derivatives, stock lending, and other transactions, as well as direct or indirect effects on the Company caused by that specified shareholder group and the other shareholder(s).

Note 5. Whether or not an act specified in item (iii) of the main text has been conducted will be rationally determined by the Company's Board of Directors, which will respect the recommendations of the Independent Committee to the maximum extent. Please note that the Company's Board of Directors may request the Company's shareholders to provide necessary information to the extent that is required for making a judgment regarding whether the relevant act satisfies the requirements as defined in (iii) of the main text.

Furthermore, under the Plan, if, at the time of announcing the adoption of the Plan, the voting rights ratio of a specified shareholder group has reached 20% or more or if the total shareholding ratio of a specified group and the other shareholders has reached 20% or more based on the acts described in (iii) above, that specified shareholder group shall be deemed a large-scale purchaser. In relation with a specified shareholder group, any new purchase

listed in either (i) or (ii) above (for the avoidance of doubt, including the act of acquiring one new share of the Company's share certificates, etc.) or any new act conducted between a specified shareholder group and the other shareholder(s) listed in (iii) above shall be treated as a large-scale acquisition.

Therefore, at the time of announcing the adoption of the Plan, if the shareholding ratio of a specified shareholder group has reached 20% or more, or if the total shareholding ratio of a specified shareholder group and the other shareholders has reached 20% or more due to the act(s) described in (iii) above, that specified shareholder group is required to comply with the procedures set out in the Plan for any new purchase listed in (i) and (ii) above (for the avoidance of doubt, including the act of acquiring one new share of the Company's share certificates, etc.) as well as any new act(s) with the other shareholders described in the (iii) above.

(2) Procedures for invoking countermeasures

As the Plan aims to ensure that shareholders have an opportunity to express their intent as to whether to accept the large-scale acquisition, a reasonable amount of preparation time is required to hold a shareholders' intent confirmation meeting of the Company for administrative procedures. In addition, as a prerequisite for shareholders to carefully consider the pros and cons of the large-scale acquisition, the Plan also aims to request a large-scale purchaser to provide information and to secure the time necessary for shareholders to carefully consider based on such information.

Accordingly, the Company requests large-scale purchasers to comply with the following procedures, to ensure the holding of a shareholders' intent confirmation meeting after the Company obtains information on the large-scale acquisition from the large-scale purchaser and ensures the contemplation period for its shareholders.

(i) Submission of a large-scale acquisition explanation

If a large-scale purchaser intends to conduct an act deemed a large-scale acquisition after the adoption of the Plan, the large-scale purchaser shall submit a large-scale acquisition explanation in writing to the Company's Board of Directors at least 60 business days prior to such large-scale acquisition. In the large-scale acquisition explanation, the large-scale purchaser's representative shall state, in Japanese, the details that are equivalent to those to be stated in the Tender Offer Statement as defined in Article 27-3, Paragraph 2 of the Financial Instruments and Exchange Act, depending on the content and manner of the large-scale acquisition intended to be carried out, sign or affix his/her name and seal, and attach a qualification certificate of the representative who has signed or affixed his/her name and seal.

Upon receipt of a large-scale acquisition explanation from a large-scale purchaser, the Company's Board of Directors will promptly announce that fact and, if necessary, the details thereof.

(ii) Information provision

The Company shall request the large-scale purchaser to submit the information that is deemed to be necessary for shareholders to determine whether to accept the large-scale acquisition at a shareholders' intent confirmation meeting (the "required information") within five business days at the latest after the date of receipt of the large-scale acquisition explanation by the Company's Board of Directors (the first day shall not be counted, and the same shall apply hereinafter.) General items of the required information are as described in Appendix 3. The specifics vary depending on the attributes of the large-scale purchaser and the details of the large-scale acquisition. In any case, it shall be limited to the extent necessary and sufficient to enable the Company's shareholders to make their decision, and the Company's Board of Directors to form an opinion.

If the required information is submitted, the Company will disclose that fact and the details of such information in a timely and appropriate manner to the extent necessary or useful for shareholders to decide whether to accept the large-scale acquisition. If the Company's Board of Directors rationally determine that the information received from the large-scale purchaser is insufficient for shareholders to decide whether to accept such a large-scale acquisition in light of the content and manner of the large-scale acquisition, it may set a reply period as necessary and, respecting the Independent Committee's opinions to the maximum extent, request the large-scale purchaser to additionally provide information. In such case, the large-scale purchaser should additionally provide such information within the relevant time limit. In case that such information is provided, the Company will also disclose that fact and the details of such information to the extent necessary or useful for shareholders to decide as to whether to accept the large-scale acquisition in a timely and appropriate manner.

(iii) The Company's Board of Directors evaluation period

The Company's Board of Directors shall set a period, not longer than 60 business days from the date of receipt of the large-scale acquisition explanation from the large-scale purchaser and rationally determined by the Company's Board of Directors, as the period for the Company's Board of Directors to evaluate and consider whether to accept the large-scale acquisition (the "Board of Directors evaluation period.") The Board of

Directors evaluation period is based on business days, not calendar days, in consideration of the fact that the starting point for the period is the date of receipt of a large-scale acquisition explanation, rather than the completion of information provision described in (ii) above.

In addition, if the Company's Board of Directors rationally recognizes information and time insufficient to conduct the above evaluation and review even after the expiration of the initial Board of Directors evaluation period, the Company's Board of Directors may extend the Board of Directors evaluation period by up to 20 business days to the extent necessary, based on the recommendations of the Independent Committee. If the Company's Board of Directors resolves to extend the Board of Directors' evaluation period, the reason for the extension and the period of extension shall be disclosed in a timely and appropriate manner in accordance with applicable laws and regulations.

Any future large-scale acquisition shall commence only after the Board of Directors evaluation period (provided, however, in case a shareholder's intent confirmation meeting is decided to be held, after the rejection of the proposal for invoking countermeasures and the conclusion of the meeting.)

(iv) Holding a shareholders' intent confirmation meeting

If the Company's Board of Directors opposes the large-scale acquisition and believes that countermeasures should be invoked, the Company shall, within the Board of Directors evaluation period, decide to hold a shareholder's intent confirmation meeting and promptly prepare for to a practically reasonable extent and hold the meeting after such decision. In deciding to hold the shareholder's intent confirmation meeting, the Independent Committee's opinions shall be respected to the maximum extent. At the shareholders' intent confirmation meeting, the Company will confirm the intent of shareholders as to whether to accept the large-scale acquisition by way of requesting approval or disapproval of the proposal for invoking countermeasures. In addition, at such shareholders' intent confirmation meeting, the Company's Board of Directors may make an alternative proposal to ensure and enhance the corporate value of the Company and ultimately shareholders' common interests in lieu of the large-scale acquisition. In making such a proposal, the Company's Board of Directors shall respect the Independent Committee's opinions to the maximum extent. To expedite a shareholders' intent confirmation meeting, the Company's Board of Directors may set a preliminary reference date at a stage prior to deciding to hold the shareholders' intent confirmation meeting.

Shareholders will examine the information on the large-scale acquisition and express their judgment as to whether to accept the large-scale acquisition in the form of approval or disapproval of the proposal for invoking the countermeasures proposed by the Company's Board of Directors. The proposal for invoking the countermeasures shall be deemed approved, if the proposal is approved by a majority of the voting rights of the shareholders attending the shareholders' intent confirmation meeting. In holding a shareholders' intent confirmation meeting, the Company will announce, in a timely and appropriate manner, the scope of shareholders entitled to exercise their voting rights (which will be appropriately determined taking into consideration recent court decisions and the manner of the large-scale acquisition;) the reference date for exercising voting rights; the date and time of the shareholders' intent confirmation meeting, and other details.

If a shareholders' intent confirmation meeting is held, a large-scale purchaser shall not implement a large-scale acquisition until the conclusion of the shareholders' intent confirmation meeting. If a large-scale acquisition has already been implemented, the large-scale purchaser shall take appropriate measures such as suspending purchases or extending the tender offer period.

(v) Countermeasures

If the large-scale purchaser refuses to suspend or withdraw the large-scale acquisition even after the shareholders of the Company approved the proposal regarding the invocation of countermeasures the Company's Board of Directors proposed at the shareholders' intent confirmation meeting, the Company's Board of Directors will implement the following countermeasures, described in 4. below, in accordance with the shareholders' intent, respecting the Independent Committee's opinions to the maximum extent:

(a) a gratis allotment of stock acquisition rights with discriminatory exercise conditions and acquisition provisions; and

(b) subsequently, compulsory acquisition of the Stock Acquisition Rights from holders other than Non-qualified parties in exchange for the Company's shares, thereby diluting the voting rights held by the Non-qualified parties.

Conversely, if the shareholders do not approve invocation of such countermeasures at the shareholders' intent confirmation meeting, the Company's Board of Directors will not implement the countermeasures in accordance with the shareholders' intent.

However, if the large-scale purchaser fails to comply with the procedures set forth in (i) through (iii) above and attempts to carry out or continue the large-scale acquisition prior to convening the shareholders' intent confirmation meeting set forth in (iv), it would become impossible to secure sufficient time for shareholders to carefully consider the information the large-scale purchaser provides and for us to have an opportunity to confirm the shareholders' intent. Accordingly, unless there are special circumstance, the Company's Board of Directors intends to implement the gratis allotment of the Stock Acquisition Rights prior to holding the shareholders' intent confirmation meeting, respecting the opinion of the Independent Committee to the maximum extent. Nevertheless, even in such a case, the compulsory acquisition of the Stock Acquisition Rights in exchange for the Company's shares, which would dilute the voting rights held by the Non-qualified parties, will be executed only when approved at the shareholders' intent confirmation meeting. If such approval is not obtained, the Company plans to compulsorily acquire all of the Stock Acquisition Rights without compensation, in which case no dilution will occur.

If the Company's Board of Directors resolves the invocation of the countermeasures, the Company will disclose relevant information, including the Board's assessment, determination, and opinions, as well as the reasons thereof and any other matters deemed appropriate, in a timely and appropriate manner per applicable laws and regulations.

4. Overview of the countermeasures (Gratis allotment of Stock Acquisition Rights)

The overview of the gratis allotment of Stock Acquisition Rights to be implemented as a countermeasure under the Plan is as follows (Further details of the Stock Acquisition Rights shall be separately determined by the Company's Board of Directors upon the resolution for the gratis allotment of the Stock Acquisition Rights):

(1) Details of the Stock Acquisition Rights to be allotted

(i) Type of shares to be issued upon exercise of the Stock Acquisition Rights

The Company's shares

(ii) Number of shares to be issued upon exercise of the Stock Acquisition Rights

The number of shares to be issued upon exercise of one Stock Acquisition Right shall be separately determined by the Company's Board of Directors.

(iii) Amount to be contributed upon exercise of the Stock Acquisition Rights

Contribution upon exercise of the Stock Acquisition Rights shall be in cash, and its value shall be one yen multiplied by the number of shares to be issued upon exercise of each Stock Acquisition Right.

(iv) Exercise period of the Stock Acquisition Rights

The exercisable period of the Stock Acquisition Rights shall be a specified period determined separately by the Company's Board of Directors.

(v) Exercise conditions of the Stock Acquisition Rights

(a) As a general rule, Non-qualified parties may not exercise the Stock Acquisition Rights (including those held substantively).

"Non-qualified parties" refer to the parties that fall under any of the following (Note 1). In determining whether parties constitute Non-qualified parties (Note 2), the Company's Board of Directors shall consult with the Independent Committee and respect the Committee's recommendations to the maximum extent.

(i) Large-scale purchasers (the large-scale purchaser and its controlling shareholders, etc., as defined in Article 14-7, Paragraph 1, Item 2 of the Order for Enforcement of the Financial Instruments and Exchange Act)

(ii) Joint holders of the large-scale purchaser (as defined in Article 27-23, Paragraphs 5 and 6 of the Financial Instruments and Exchange Act)

(iii) Parties with whom joint holders of the large-scale purchaser have a special capital relationship (as defined in Article 9, Paragraph 1, Item 2 of the Order for Enforcement of the Financial Instruments and Exchange Act) (including those who have a special capital relationship; the same applies hereinafter)

(iv) Specially related parties of the large-scale purchasers (as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act)

(v) Parties with whom specially related parties of the large-scale purchaser have a special capital relationship (including those who have a special capital relationship; the same applies hereinafter)

(vi) Any party the Company's Board of Directors rationally certifies to fall under any of the following:

(x) Any party who was transferred or succeeded without the Company's approval, the Stock Acquisition Rights from the parties falling under (i) through (vi) ; or

(y) "Affiliated parties" of the parties falling under (i) through (vi) (Note 3).

Note 1: Notwithstanding the foregoing, parties that otherwise fall under the above categories shall not be deemed Non-qualified parties if the Company's Board of Directors determines that such party's acquisition or holding of the Company's shares does not harm the Company's corporate value or shareholders' common interests, or if the Company's Board of Directors designates such parties separately at the time of the resolution regarding the gratis allotment of the Stock Acquisition Rights.

Note 2: The Company's Board of Directors may request that such parties provide the information necessary to determine whether they are Non-qualified parties.

Note 3: "Affiliated parties" refer to the followings: investment banks, security firms, and other financial institution having a financial advisory agreement with Non-qualified parties, as well as those having the substantively same interests of such parties; tender offer agents, attorneys, accountants, tax accountants, other advisors, or any other parties substantively controlled by or acting in concert or coordination with Non-qualified parties. When assessing whether associations or other funds fall into Affiliated parties, it shall be considered whether their fund managers are substantively identical to Non-qualified parties.

(b) The Stock Acquisition Rights holders may exercise the Stock Acquisition Rights only if the holders submit the following to the Company:

- the documentation containing representations and warranties clauses, indemnification clauses, and other form prescribed by the Company as to the fact that they do not fall into Non-qualified parties set in (v)(a) (in the case that they exercise the Stock Acquisition Rights on behalf of the third parties, the documentation stating that such third parties do not fall into Non-qualified parties set in (v)(a));

- materials showing that they satisfy the exercise conditions to a reasonable extent; and

- any other documents required under applicable laws and regulations.

(c) Nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Stock Acquisition Rights may exercise the Stock Acquisition Rights only if the Company acknowledges that all the procedures and exercise conditions are fulfilled. Even if such procedures or conditions would enable nonresident holders to exercise the Stock Acquisition Rights, the Company shall not be obligated to undertake or fulfill them.

(d) For the purpose of confirming the satisfaction of the conditions set in (v)(c), the Company's Board of Directors sets the procedures similar to those set in (v)(b).

(vi) Acquisition provisions

The Company may acquire any unexercised Stock Acquisition Rights, either for consideration at the price determined by the Company's Board of Directors or without consideration, on the day determined by the Company's Board of Directors on or after the effective date of the gratis allotment of the Stock Acquisition Rights.

(a) In the case of invoking the countermeasure (acquisition from the holders other than Non-qualified parties)

If the Company invokes the countermeasure under the Plan, it may acquire the unexercised Stock Acquisition Rights that are exercisable (i.e. held by other than Non-qualified parties) pursuant to the provisions in (v)(a) and (b) above (referred to as "Eligible Stock Acquisition Rights" in (vi)(b) below) on the day determined by the Company's Board of Directors on or after the effective date of the gratis allotment of the Stock Acquisition Rights. These may be exchanged for the Company's shares in a number equivalent to the number of the Stock Acquisition Rights for acquisition multiplied by the number of the Company's shares to be issued, rounded down to the nearest whole number.

(b) In the case of invoking the countermeasure (acquisition from Non-qualified parties)

If the Company invokes the countermeasure under the Plan, it may acquire unexercised Stock Acquisition Rights except for the Eligible Stock Acquisition Rights on the day determined by the Company's Board of Directors on or after the effective date of the gratis allotment of the Stock Acquisition Rights. These may be exchanged for an equal number of the Stock Acquisition Rights (any fractional shares below one share shall be rounded down) which are subject to certain restrictions (the exercise conditions and acquisition provision

as set out below and other matters determined by the Company's Board of Directors) for exercise by Non-qualified parties (hereinafter referred to as the "Second Stock Acquisition Rights.)"

(i) Exercise conditions

If following conditions of (x) and (y) are satisfied, or if otherwise determined by the Company's Board of Directors, the holders of the Second Stock Acquisition Rights may exercise such rights only to the extent that, voting rights ratio of the large-scale purchasers after exercise, which are approved by the Board of Director, remains below 20% or such other percentage as may be separately determined by the Company's Board of Directors.

(x) The large-scale purchaser must suspend or withdraw its large-scale acquisition and pledge in writing that it will not engage in any such activities in the future; and

(y) (α) The voting rights ratio of the large-scale purchaser, which is approved by the Company's Board of Directors, is less than 20% or such other percentage as may be separately determined by the Company's Board of Directors. (Provided that, for the purpose of such calculation, any Non-qualified parties other than the large-scale purchaser, their joint holders, or their specially related parties shall be deemed to be joint holders or specially related parties of the large-scale purchasers, and any Second Stock Acquisition Rights held by such Non-qualified parties that do not satisfy the exercise conditions shall be excluded from the calculation.); or (β) in the event that the voting rights ratio of the large-scale purchasers, which are approved by the Company, is more than 20% or such other percentage as may be separately determined by the Company's Board of Directors, the large-scale purchasers or other Non-qualified parties sell the Company's shares on the market via security firms approved by the Company, and after the sale, the voting rights ratio of the large-scale purchaser falls below 20% or such other percentage as separately determined by the Company's Board of Directors.

(ii) Acquisition provision

On a separately determined date set by the Company's Board of Directors between the 10th and 11th anniversaries of the date on which the Second Stock Acquisition Rights were granted, the Company may acquire any unexercised Second Stock Acquisition Rights for which the exercise conditions are not satisfied, in exchange for cash consideration equivalent to their fair value at that time.

(c) For the purpose of confirming the satisfaction of the conditions for the compulsory acquisition of the Stock Acquisition Rights, the Company's Board of Directors sets the procedures similar to those set in (v)(b). Furthermore, if the Company's Board of Directors deems it appropriate for the Company to acquire the Stock Acquisition Rights, the Company may acquire all outstanding Stock Acquisition Rights without compensation on a date separately determined by the Company's Board of Directors, at any time up to the day immediately preceding the commencement date of the exercise period for the Stock Acquisition Rights.

(vii) Transfer approval

Acquiring the Stock Acquisition Rights via the transfer requires the approval of the Company's Board of Directors.

(viii) Share capital and legal capital surplus

Matters regarding the increases in share capital and legal capital surplus resulting from the exercise or acquisition based on the acquisition provision of the Share Acquisition Rights shall be defined in accordance with applicable laws and regulations.

(ix) Fractional share

If the number of shares to be delivered upon exercise of the Share Acquisition Rights includes any fractional share less than one share, such fraction shall be rounded down. However, if a holder of the Share Acquisition Rights exercises multiple rights simultaneously, the number of shares to be delivered upon the exercise can be aggregated in calculating the fractional share.

(x) Issuing the Stock Acquisition Rights

Certificates shall not be issued for these Share Acquisition Rights.

(2) Number of the Stock Acquisition Rights to be allotted to shareholders

The Share Acquisition Rights shall be allotted at a ratio of one right per one share of the Company's share (excluding treasury shares held by the Company).

(3) Shareholders eligible for the gratis allotment of Share Acquisition Rights

The Share Acquisition Rights shall be allotted to all shareholders (excluding the Company) who are recorded or

registered in the final shareholders' register as of the record date separately determined by the Company's Board of Directors.

(4) Total number of Stock Acquisition Rights

The total number of Stock Acquisition Rights shall be equal to the total number of outstanding shares (excluding treasury shares held by the Company) on the record date separately determined by the Company's Board of Directors.

(5) Effective date of the gratis allotment of Stock Acquisition Rights

The effective date of the gratis allotment of Stock Acquisition Rights shall be a day on or after the record date and separately determined by the Company's Board of Directors.

(6) Other

The gratis allotment of the Share Acquisition Rights shall become effective if either (i) or (ii) is met:

(i) approval is obtained at the shareholders' intent confirmation meeting and the large-scale acquisition has not been suspended or withdrawn (in the case that it is reasonably confirmed ex-post facto that a large-scale acquisition has taken place, the holding of the Company's shares that are deemed a large-scale acquisition or possibility thereof is not eliminated within a reasonable period determined by the Company's Board of Directors based on the recommendation of the Independent Committee); or

(ii) the large-scale purchaser fails to comply with the procedures set forth in 3.(2) above and attempts to carry out a large-scale acquisition (including additional acquisitions) (in the case that it is reasonably confirmed ex-post facto that a large-scale acquisition has taken place, the holding of the Company's shares that are deemed a large-scale acquisition or possibility thereof is not eliminated within a reasonable period determined by the Company's Board of Directors based on the recommendation of the Independent Committee).

Furthermore, even after initiating the procedures for the gratis allotment of the Share Acquisition Rights as a countermeasure, if the Company's Board of Directors determines that it is no longer necessary to invoke the countermeasure, it may suspend or withhold the implementation of such countermeasure. Such examples include instances where the large-scale purchaser withdraws the large-scale acquisition and pledges, in writing, not to engage in any such acquisition in the future.

If the Company's Board of Directors resolves to suspend or withdraw the countermeasure that has already been invoked, it shall promptly disclose such decision.

5. Impact on shareholders and investors

(1) Impact on shareholders and investors upon introduction of the Plan

Since the gratis allotment of the Stock Acquisition Rights does not occur at the time of introduction of the Plan, there is no direct specific impact on the legal rights or economic interests of shareholders and investors.

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

Shareholders as of the record date will receive the Stock Acquisition Rights at a ratio of one right for each share held. Accordingly, on the assumption that such rights are exercised, there will be no dilution in the value of the Company's shares held by shareholders.

However, if shareholders do not exercise the Stock Acquisition Rights within the exercise period, the shares of such shareholders will be diluted due to the exercise of the Stock Acquisition Rights by the other shareholders. That said, the Plan assumes that, in principle, the Company acquires all of the Share Acquisition Rights that are satisfied prior to the commencement of the exercise period, based on the acquisition provisions attached thereto and delivers shares of the Company in exchange for those Rights that satisfy the exercise conditions. If the Company takes such acquisition procedures, shareholders other than Non-qualified parties will receive the Company's shares without exercising the Stock Acquisition Rights or paying the cash amount equivalent to the exercise price. In this case, the value per share that has already been held by shareholders will be diluted, but the value of the shares held as a whole, including the newly issued shares, will not be diluted.

In the event that the Company cancels the gratis allotment of the Stock Acquisition Rights or makes compulsory acquisition of the Stock Acquisition Rights allotted without consideration after the shareholders who are to receive the gratis allotment of the Stock Acquisition Rights have been determined, the dilution of the value per share will not occur. Therefore, investors who have traded based on the assumption that the value per share will be diluted may suffer commensurate damage depending on fluctuations in the share price.

Accordingly, investors should note that even after the Company resolved to implement the gratis allotment of the Share Acquisition Rights, whether the value of the Company's shares is diluted or not depends on various circumstances.

As the exercise or acquisition of the Share Acquisition Rights is accompanied by discriminatory conditions, the legal rights or economic interests of Non-qualified parties may be diluted upon such exercise or acquisition. Even in such cases, there will be no direct specific impact on the legal rights or economic interests of shareholders other than Non-qualified parties. Nonetheless, the transfer of the Stock Acquisition Rights is restricted. Therefore, if the shareholders receive the Company's shares as a result from the exercising or Company's acquiring the Stock Acquisition Rights after the allotment date, they may be exposed to fluctuations in the value of their investment attributable to the Stock Acquisition Rights, until the allotted shares are registered in the shareholders' transfer accounts.

If the large-scale purchaser complies with the procedures described in 3.(2) above and the shareholders do not approve the proposal to invoke the countermeasure at the shareholders' intent confirmation meeting, the gratis allotment of the Share Acquisition Rights will not be carried out. Furthermore, even after the Company initiates the procedures for the gratis allotment of the Share Acquisition Rights as a countermeasure, if the Company's Board of Directors determines that it is no longer necessary to invoke such countermeasure (for instances where the large-scale purchaser withdraws the large-scale acquisition and pledges, in writing, not to engage in any such acquisition in the future), the Company may suspend or withhold the implementation of the countermeasure (in that case, the Company disclose the fact in an appropriate and timely manner per applicable laws and regulations). Shareholders and investors who have traded based on the assumption that the value per share will be diluted may suffer commensurate damage depending on fluctuations in the share price.

(3) Procedures for shareholders and investors at the time of the gratis allotment of the Stock Acquisition Rights

(a) Procedures at the time of the gratis allotment of the Stock Acquisition Rights

If the Company's Board of Directors resolves to make a gratis allotment of the Stock Acquisition Rights, the Company will set the record date of the gratis allotment of the Stock Acquisition Rights (the "Allotment date") and disclose the fact in timely and appropriate manner. In this case, the Company will make a gratis allotment of Stock Acquisition Rights in a number corresponding to the number of common shares held by the shareholders recorded in the Company's final register of shareholders as of the Allotment date.

Accordingly, the shareholders recorded or registered in the final register of shareholders will automatically receive the Stock Acquisition Rights without further procedures.

(b) Procedures for exercising Stock Acquisition Rights

In principle, the Company will send an exercise request form and a document necessary to be submitted for the exercise of the Stock Acquisition Rights (containing necessary matters such as the terms and number of the Stock Acquisition Rights for exercise, the exercise date for the Stock Acquisition Rights, the transfer accounts for registry of the Company's share other than special accounts, as well as representations and warranties regarding matters such as that the shareholders themselves satisfy the exercise conditions of the Stock Acquisition Rights, indemnity clauses, and other covenants in the prescribed form by the Company). After the Stock Acquisition Rights are allotted, shareholders submit those documents within the exercise period. Then, shareholders will receive the number of shares determined by the Company's Board of Directors per Stock Acquisition Right by paying an amount equal to one yen multiplied by the number of shares to be issued, through the designated paying agent.

Pursuant to the provisions of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc., the Company's shares to be issued as a result of the exercise of the Stock Acquisition Rights cannot be recorded in special accounts. Accordingly, shareholders who wish to exercise the Stock Acquisition Rights must open a transfer account, such as a securities account.

(c) Procedures for the acquisition of the Stock Acquisition Rights by the Company

For the purpose of the Stock Acquisition Rights allotted to shareholders, exercise conditions and procedures are described as in section 4.(1) above. As a general rule, prior to the commencement of the exercise period, the Company will acquire all of the Stock Acquisition Rights forcibly pursuant to the acquisition provisions attached thereto, and deliver shares in exchange for those Rights that satisfy the prescribed exercise conditions. In such a case, the Company will make a public announcement at least two weeks prior to the acquisition date, and then purchase them in accordance with applicable laws and regulations.

However, if the Company acquires the Stock Acquisition Rights based on the acquisition provisions set forth in section 4.(1)(vi) above, shareholders will receive the Company's shares in exchange for the Company's

acquisition of the Stock Acquisition Rights without paying cash equivalent to the exercise price. In such a case, shareholders do not have to pay any cash but may have to take certain procedures to set up a transfer account for the registry of the Company's shares to be issued.

Non-qualified parties should take a different approach to exercising or acquiring the Stock Acquisition Rights from those of other shareholders. They acquire the Stock Acquisition Rights in compensation for the Second Stock Acquisition Rights set in 4.(1)(vi)(b).

(d) Other

The Company will disclose the details of each procedure above in a timely and appropriate manner as required by applicable laws and regulations when such procedures become necessary. Please confirm the relevant details.

V. Reasonableness of the Plan

1. The Plan based on Guidelines for Takeover Defense Measures during the Normal Phase

The Plan is based on the following; the content of "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" published by the Ministry of Economy, Trade and Industry (the "METI") and the Ministry of Justice on May 27, 2005; the suggestions of "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group of the METI on June 30, 2008; "Guidelines for Corporate Takeovers -Enhancing Corporate Value and Securing Shareholders' Interests-" published by the METI on August 31, 2023; the Rules on the Introduction of Takeover Defense Measures stipulated by Tokyo Stock Exchange for anti-takeover measures at normal phase; and the purpose of "Principle 1.5 Anti-Takeover Measures" of Japan's Corporate Governance Code (after the revision on June 11, 2021) which Tokyo Stock Exchange introduced due to Revisions to the Securities Listing Regulations and started implementation in June 2015. The Company believes that the Plan satisfies the requirements for response policies during an emergency phase, specified in these guidelines and so on.

2. Respect for Shareholders' Intent (Mechanism Directly Reflecting Shareholders' Intent)

As stated above, the Plan has been introduced by the resolution of the Company's Board of Directors held on May 22, 2025 and is effective from the same date, but its initial effective period is until the conclusion of the first Board of Directors meeting of the Company held after the General Meeting, and the Company submits a proposal for renewal of the Plan as agenda at the General Meeting. In the event that shareholders do not approve the renewal of the Plan at the General Meeting, the Company's Board of Directors will immediately terminate the Plan.

Furthermore, when the invocation of measures is carried out under the Plan, the Company will hold a shareholders' intent confirmation meeting to reflect their intent. The Company will request the large-scale purchaser to comply with the procedures described in IV 3.(2) above. Nevertheless, whether or not the large-scale purchaser complies with such request, the decision to take measures will ultimately be made solely based on the shareholders' intent expressed at the shareholders' intent confirmation meeting.

In this way, the Plan maximizes respect for the intent of the Company's shareholders.

3. Elimination of Arbitrary Decisions by the Company's Board of Directors

As stated in 2 above, the Company will hold a shareholders' intent confirmation meeting and decide whether the invocation of measures is carried out against the large-scale acquisitions, in accordance with the shareholders' intent. Provided that the large-scale purchaser complies with the procedures set forth in IV 3.(2) above, the decision to take measures will be made based on the results of the shareholders' intent confirmation meeting, and measures will not be taken at the arbitrary discretion of the Company's Board of Directors.

Furthermore, as stated in IV 2.(2) above, in order to ensure the necessity and appropriateness of the Plan and to prevent its abuse for the sake of the management's self-preservation, the Company has established that it will always obtain recommendations from the Independent Committee composed of independent outside directors regarding matters necessary for determining whether to implement measures or take other actions in accordance with the Plan.

The Company's Board of Directors shall respect the opinion of the Independent Committee to the maximum extent possible in order to ensure the fairness of its decisions and to eliminate arbitrary decisions by the Company's Board of Directors. In addition, the Independent Committee may, as necessary, seek advice from external experts (such as financial advisors, attorneys, certified public accountants, and tax accountants) who are independent of both the Company's Board of Directors and the Independent Committee. As a result, the objectivity and reasonableness of the Independent Committee's decisions are ensured.

Therefore, the Plan is designed to eliminate arbitrary decisions by directors.

4. No Dead-hand Takeover Defense Measures Nor Slow-hand Takeover Defense Measures

As stated in VI below, the Plan may be terminated at any time by the Company's Board of Directors appointed by the general meeting of shareholders of the Company. That makes the Plan not being a dead-hand takeover defense measure (a takeover defense measure in which even if a majority members of the Company's Board of Directors are replaced, the invocation of the measures cannot be stopped). Also, the Plan is not a slow-hand takeover defense measure (a takeover defense measure in which the invocation of the measures takes more time to stop due to the fact that all members of the board of directors cannot be replaced at once.)

VI. Abolition procedure and effective period of the Plan

The Plan shall be effective from May 22, 2025, and its initial effective period shall expire at the conclusion of the first meeting of the Board of Directors of the Company held after the General Meeting. If the shareholders approve the renewal of the Plan at the General Meeting, its effective period shall expire at the conclusion of the first meeting of the Board of Directors of the Company held after the General Meeting relating to the last fiscal year ending within three years of this General Meeting. (If the shareholders fail to approve the renewal of the Plan at the General Meeting, the Company's Board of Directors will immediately terminate the Plan.) As stated above, the Plan is being introduced primarily to address large-scale acquisitions by MM or other parties including the Share Buyup in progress. Accordingly, the Company does not intend to maintain the Plan once it is determined that the specific large-scale acquisition is no longer contemplated.

Even before the expiration of the effective period, if the Company's Board of Directors resolves to terminate the Plan, the Plan shall be terminated at that time.

VII. Others

In the event that the Companies Act, the Financial Instruments and Exchange Act, other laws, regulations, cabinet orders, Cabinet Office Ordinances and Ministerial Ordinances, etc. related thereto, and the rules, etc. of the financial instruments exchange on which the Company's shares are listed (collectively, "Laws, etc.") are amended (including changes to the names of Laws, etc. and the enactment of new Laws, etc. that succeed old Laws, etc.; the same applies below) and these are enforced, each provision of the Laws, etc. cited in the Plan shall be deemed to be replaced with each provision of the amended Laws, etc. that substantially succeeds each provision of these Laws, etc., unless otherwise specified by the Board of Directors of the Company.

Outline of the Independent Committee Rules

- The Independent Committee shall be established by a resolution of the Board of Directors of the Company.
- The Independent Committee shall consist of three (3) or more members. The members shall be elected by the Board of Director of the Company from among persons who are either (i) Outside Directors of the Company or (ii) outside experts and who are independent from the management in charge of business execution of the Company. Outside experts shall be senior corporate executives with a proven track record, ex-government officials, persons who are acquainted with investment banking business or the Company's business domains, attorneys at law, certified public accountants, scholars mainly studying the Companies Act of Japan and the like, or persons equivalent thereto, who shall enter into an agreement with the Company containing a clause for the duty of due care of a prudent manager etc. designated separately by the Company's Board of Directors.
- The term of office of a member of the Independent Committee shall expire at the conclusion of the first meeting of the Board of Directors of the Company held after the annual general meeting of shareholders for the final fiscal year ending within one (1) year from the time of his or her election. However, it shall not apply if the Company's Board of Directors resolves otherwise. The term of office of a member of the Independent Committee who is Outside Directors of the Company shall expire at the same time if the member is no longer Outside Directors of the Company (except when reappointed). Notwithstanding the foregoing, if the Plan is terminated during the term of office of a member of the Independent Committee, the term of office of a member of the Independent Committee shall expire on the date of such termination.
- The Independent Committee shall decide the matters listed in the following items and recommend its decisions to the Company's Board of Directors clarifying the basis of the decisions. Each Independent Committee member shall make deliberations and resolutions solely from the perspective of whether the matter in question contributes to the corporate value of the Company and, ultimately, the common interest of its shareholders and shall not do so for the purpose of seeking personal benefits for him/herself or the management of the Company:
 - (i) whether countermeasures under the Plan should be invoked;
 - (ii) suspension of the invocation of countermeasures under the Plan;
 - (iii) in addition to (i) and (ii) above, matters for which the Independent Committee is authorized to perform under the Plan;
 - (iv) any other matters related to the Plan that the Company's Board of Directors of the Company voluntarily consults with the Independent Committee.
- The Independent Committee may have Directors and employees of the Company or any other persons deemed necessary by the Committee attend its meeting and request their explanation about matters specified by the Independent Committee in order to collect necessary information.
- The Independent Committee may, at the cost of the Company, obtain advice from independent third parties (including financial advisors, certified public accountants, attorneys at law, certified tax accountants, consultants, and other advisors).
- Each Independent Committee member may convene the Independent Committee at any time in cases of the Purchase and others.
- The chairperson of the Independent Committee shall be elected by mutual vote among the Independent Committee members.
- A resolution of the Independent Committee shall, in principle, be made with the attendance of all members of the Independent Committee (including attendance via video/audio conference call; the same applies hereinafter) and adopted by a majority vote of the members present. However, in the event of an accident involving a member or other unavoidable circumstances, a resolution may be made provided that a majority of the Independent Committee members are present and approved by a majority of the votes of the members present.

Career Summary of the Independent Committee Members

The Company elected the following three as the initial members of the Independent Committee for the Plan.

Name: Fumiaki Nakajima
Date of Birth: November 3, 1959

Career Summary:	April 1983	Joined Showa Electric Wire and Cable Co., Ltd. (currently SWCC Corporation)
	June 2016	Representative Director and President
	June 2019	Director, the Company (current position)
	April 2020	Outside Director and Audit and Supervisory Committee Member, Tokyo Water Co., Ltd. (current position)
	January 2021	Executive Officer, Deputy General Manager of International Division, Senshu Electric Co., Ltd. (current position)

Mr. Fumiaki Nakajima is currently Outside Director of the Company. The Company has notified the Tokyo Stock Exchange that he is an independent director of the Company.

There is no significant interest between Mr. Nakajima and the Company.

Name: Ryoji Shimada
Date of Birth: April 1, 1968

Career Summary:	October 1992	Joined Osaka Office of Asahi Shinwa & Co. (currently KPMG AZUSA LLC)
	May 1997	Registered as certified public accountant
	October 1997	Joined Tokyo Office of Ota Showa Audit Corporation (currently Ernst& Young ShinNihon LLC)
	July 2007	Opened Solution Square Corporation, Director (current position)
	July 2007	Opened Shimada CPA Office, Director (current position)
	June 2022	Director/Audit and Supervisory Committee Member, the Company (current position)

Mr. Ryoji Shimada is currently Outside Director of the Company. The Company has notified the Tokyo Stock Exchange that he is an independent director of the Company.

There is no significant interest between Mr. Shimada and the Company.

Name: Nozomi Kurahashi
Date of Birth: June 23, 1983

Career Summary:	December 2012	Registered as attorney
	January 2013	Joined Tanaka Law Office (current position)
	June 2024	Director/Audit and Supervisory Committee Member, the Company (current position)

Ms. Nozomi Kurahashi is currently Outside Director of the Company. The Company has notified the Tokyo Stock Exchange that she is an independent director of the Company.

There is no significant interest between Ms. Kurahashi and the Company.

Information to be Required from the Large-Scale Purchaser

1. Details (including name, business details, career background or history, capital structure, financial position, and information on experience in businesses similar to those of the Company and the 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. Purpose, method, and details of the large-scale acquisition (including the amount and type of consideration, the timing, the structure of any related transactions, the legality of the method, and the feasibility of large-scale acquisition and any related transactions)
3. Basis for calculation of the consideration for the Company's shares pertaining to a large-scale acquisition (including facts underlying the calculation, calculation method, numerical information used in the calculation, and details of synergies expected to arise from a series of transactions related to large-scale acquisition)
4. Support for funds (including the specific names of providers of funds (including all indirect providers of funds), financing methods, and details of any related transactions)
5. Candidates for directors (including information on their experience in businesses similar to those of the Company and the Group companies), management policy, business plan, financial plan, capital policy, dividend policy, and asset utilization policy of the Company and the Group companies anticipated after the completion of the large-scale acquisition
6. Any changes, and the details thereof, in the relationships between the Company and the Group companies and their stakeholders, including customers, business partners, and employees, after the completion of the large-scale acquisition