

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

July 31, 2025

(Start date for electronic provision measures: July 30, 2025)

To Those Shareholders with Voting Rights

28-8, Takada 3-chome, Toshima-ku, Tokyo

TAKARA & COMPANY LTD.

AKUTSU Seiichiro, President and Representative Director

NOTICE OF THE 88th ANNUAL GENERAL MEETING OF SHAREHOLDERS

We hereby notify you of the 88th Annual General Meeting of Shareholders of the Company, which will be held as described below. Please note that the annual securities report for this fiscal year will be disclosed prior to this General Meeting of Shareholders. We encourage shareholders to review the report as well.

In convening this General Meeting of Shareholders, the Company has taken electronic provision measures to provide the information that constitutes the contents of Reference Documents for the General Meeting of Shareholders, etc. (matters subject to electronic provision measures) and posted such information on websites listed below.

The Company's website

<https://www.takara-company.co.jp/english/ir/>

Net de Shoshu (online convocation, available in Japanese)

<https://s.srdb.jp/7921/>

The Tokyo Stock Exchange (TSE) website (Listed Company Search)

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

*In addition to the Company's website, the information is available on *Net de Shoshu* (online convocation) and the Tokyo Stock Exchange (TSE) website.

*In case of using the TSE website (Listed Company Search), please access the above-mentioned website and enter the issue name (company name) or the securities code to search. Then, please select "Basic information" followed by "Documents for public inspection/PR information" and review the documents.

In addition to attending the meeting, you can place your vote via the Internet or in writing. Please review the "Reference Documents for the General Meeting of Shareholders," and place your vote by no later than 6:00 p.m. on Thursday, August 21, 2025.

1. Date and Time	10:00 a.m., Friday, August 22, 2025 (The reception desk will open at 9:00 a.m.)
-------------------------	---

2. Place	Ballroom Fuji, Hotel Metropolitan Tokyo 3F 6-1, Nishi-Ikebukuro 1-chome, Toshima-ku, Tokyo
-----------------	--

Please check Net de Shoshu (online convocation, available in Japanese) for a guide map to the venue.

A designated area is available in the meeting venue for shareholders in wheelchairs.

Sign language interpreters and English interpreters will be on standby. Please ask at the reception desk on the day of the meeting if you wish to make use of these services.

3. Agenda of the Meeting: Matters to be reported:

- (1) Business Report and Consolidated Financial Statements for the 88th Fiscal Term (from June 1, 2024 to May 31, 2025) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
- (2) Non-consolidated Financial Statements for the 88th Fiscal Term (from June 1, 2024 to May 31, 2025)

Proposals to be resolved:

Proposal No. 1: Election of Seven (7) Directors

Proposal No. 2: Continuation of a Policy on the Large-Scale Purchase of the Company's Shares (Policy in Response to Takeover Bids)

Should you indicate neither approval nor disapproval of each proposal in the Voting Rights Exercise Form, it shall be treated as an indication of approval.

Reference Documents for the General Meeting of Shareholders


Proposal No. 1: Election of Seven (7) Directors


All of the seven (7) Directors will complete their terms of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of seven (7) Directors.

The candidates for Director are as follows.


Male: 5 (71.4%); Female: 2 (28.6%)


No.		Name	Age	Current position at the Company	Concurrent positions at other listed companies	Attendance at the Board of Directors for the current fiscal term
1	Reelection	AKUTSU Seiichiro	71	President and Representative Director	—	100% (14 out of 14 meetings)
2	Reelection	NOMURA Shuhei	42	Director	—	100% (14 out of 14 meetings)
3	Reelection	SHIRAI Kota	64	Director	—	100% (10 out of 10 meetings)
4	Reelection	IUE Toshimasa	62	Director	3	100% (14 out of 14 meetings)
				Outside		
				Independent		
5	Reelection	SEKINE Chikako	71	Director	1	100% (14 out of 14 meetings)
				Outside		
				Independent		
6	Reelection	SHIINA Shigeru	61	Director	2	100% (14 out of 14 meetings)
				Outside		
				Independent		
7	Reelection	KAWASHIMA Izumi	70	Director	1	100% (14 out of 14 meetings)
				Outside		
				Independent		


No.	1	<div>Reelection</div> 
Name	AKUTSU Seiichiro	
Date of Birth	December 17, 1953 (71)	
Number of shares of the Company held	64,160 shares	
Attendance at the Board of Directors for the current fiscal term	100% (14 out of 14 meetings)	
Reasons for nomination as candidate for Director	Since joining the Company, Mr. AKUTSU Seiichiro is well versed in its overall business mainly in the field of administration with abundant knowledge and experience in operations, and appropriately performs his duties. Since his assumption of office as Director in August 1991 and as President and Representative Director in August 2002, he has accumulated achievements as the chief executive officer of the Group. Therefore, the Company determines that he is appropriate as Director and reappoints him as a candidate.	
Career summary and status of significant concurrent positions	January 1986	Joined Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.)
	May 1989	General Manager, President Office of the Company
	July 1991	General Manager, General Planning Department of the Company
	August 1991	Director and General Manager, General Planning Department of the Company
	October 1996	Director and General Manager, Accounting Department of the Company
	August 1997	Managing Director and General Manager, Accounting Department of the Company
	August 2002	President and Representative Director of the Company (current position)
	December 2019	President and Representative Director of Takara Printing Co., Ltd. (newly established)
	August 2024	Chairman and Representative Director of the Company (current position)


No.	2	<div>Reelection</div> 
Name	NOMURA Shuhei	
Date of Birth	June 7, 1983 (42)	
Number of shares of the Company held	1,300 shares*	
Attendance at the Board of Directors for the current fiscal term	100% (14 out of 14 meetings)	
Reasons for nomination as candidate for Director	Since joining the Company, Mr. NOMURA Shuhei has accumulated experience in the Company's operations, mainly in the fields of administration and sales, and possesses abundant knowledge and experience. The Company expects him to contribute to the management of the Group, and therefore determines that he is appropriate as Director and reappoints him as a candidate.	
Career summary and status of significant concurrent positions	October 2007	Joined Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.)
	December 2010	Representative Director of Nomura Co., Ltd. (current position)
	February 2015	Head, Nagoya Sales Office of Takara Printing Co., Ltd.
	July 2019	Executive Officer and General Manager, Disclosure & IR Business Department I of the Company
	December 2019	Executive Officer and General Manager, Disclosure & IR Business Department I of Takara Printing Co., Ltd. (newly established)
	August 2022	Director, Managing Executive Officer and General Manager, Disclosure & IR Business Headquarters of Takara Printing Co., Ltd. (current position)
		Director of the Company (current position)


* Mr. NOMURA Shuhei serves as Representative Director of Nomura Co., Ltd., which separately holds 632,800 shares of the Company's stock (stockholding ratio: 4.87%).

No.	3	<div>Reelection</div> 
Name	SHIRAI Kota	
Date of Birth	May 23, 1961 (64)	
Number of shares of the Company held	2,900 shares	
Attendance at the Board of Directors for the current fiscal term	100% (10 out of 10 meetings)	
Reasons for nomination as candidate for Director	Since joining the Company, Mr. SHIRAI Kota has accumulated experience in the Company's operations, mainly in the fields of IT tool development for customers, and sales. In addition, he extensively promotes business coordination and sales expansion within the Group by drawing on his experience from serving at a financial institution and being stationed overseas. The Company expects him to contribute to the management of the Group, and therefore determines that he is appropriate as Director and reappoints him as a candidate.	
Career summary and status of significant concurrent positions	April 1985	Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
	December 2015	Joined Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.)
	July 2017	Executive Officer and General Manager, IT Service Business Department of the Company
	December 2019	Executive Officer and General Manager, Disclosure & IR Business Department III of Takara Printing Co., Ltd. (newly established)
	August 2022	Director and Managing Executive Officer of Takara Printing Co., Ltd.
	August 2024	President and Representative Director of the Company (current position) Director of the Company (current position)

No.	4	Reelection Outside Independent	
Name	IUE Toshimasa		
Date of Birth	December 3, 1962 (62)		
Number of shares of the Company held	- shares		
Attendance at the Board of Directors for the current fiscal term	100% (14 out of 14 meetings)		
Reasons for nomination as candidate for Outside Director and expected roles	Mr. IUE Toshimasa has held key positions including a representative director, and possesses abundant experience and broad insight as a corporate manager. Therefore, the Company expects him to participate from an objective standpoint in deliberations by the Board of Directors, and give valuable advice on our management as an Outside Director. She will have served as an Outside Director for six years at the closing of this General Meeting of Shareholders.		
Career summary and status of significant concurrent positions	April 1989 Joined SANYO Electric Co., Ltd. June 1996 Member of the Board of SANYO Electric Co., Ltd. June 2002 Vice President of SANYO Electric Co., Ltd. June 2005 President of SANYO Electric Co., Ltd. June 2007 Special Advisor of SANYO Electric Co., Ltd. February 2010 Vice President and Operating Officer of LIXIL Group Corporation April 2011 Director, Vice President and Operating Officer of LIXIL Corporation June 2016 Director of LIXIL Group Corporation July 2017 Advisor of LIXIL Group Corporation June 2018 Outside Director (Member of the Audit Committee) of Enplas Corporation (current position) August 2019 Director of Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) (current position) June 2020 Outside Director of KAMEDA SEIKA CO., LTD. (current position) Outside Director of Torishima Pump Mfg. Co., Ltd. (current position)		

No.	5	<div>Reelection</div> <div>Outside</div> <div>Independent</div>	
Name	SEKINE Chikako		
Date of Birth	December 16, 1953 (71)		
Number of shares of the Company held	- shares		
Attendance at the Board of Directors for the current fiscal term	100% (14 out of 14 meetings)		
Reasons for nomination as candidate for Outside Director and expected roles	<p>In addition to experience accumulated as a corporate officer of a major cosmetics company, Ms. SEKINE Chikako has served as a representative director and outside director at other companies and possesses abundant experience and broad insight. Therefore, the Company expects her to participate from an objective standpoint in deliberations by the Board of Directors, and give valuable advice on our management as an Outside Director.</p> <p>She will have served as an Outside Director for six years at the closing of this General Meeting of Shareholders.</p>		
Career summary and status of significant concurrent positions	<p>April 1972 Joined Shiseido Yamagata Sales Co., Ltd.</p> <p>April 2006 General Manager, Osaka Branch of Shiseido Sales Co., Ltd. (currently Shiseido Japan Co., Ltd.)</p> <p>April 2008 Seconded to Headquarters of d'ici là Co., Ltd.</p> <p>October 2009 General Manager, Japan Marketing Headquarters of d'ici là Co., Ltd.</p> <p>General Manager, Beauty Consultation Planning Group, International Marketing Department, International Business Division of Shiseido Company, Limited</p> <p>April 2012 Corporate Officer of Shiseido Company, Limited</p> <p>April 2014 Corporate Executive Officer of Shiseido Company, Limited</p> <p>January 2016 Corporate Advisor of Shiseido Company, Limited</p> <p>April 2018 Representative Director of B-mind Corporation (current position)</p> <p>August 2019 Director of Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) (current position)</p> <p>June 2021 Outside Director of TOLI Corporation (current position)</p>		

No.	6	<div>Reelection</div> <div>Outside</div> <div>Independent</div>																							
Name	SHIINA Shigeru																								
Date of Birth	May 10, 1964 (61)																								
Number of shares of the Company held	- shares																								
Attendance at the Board of Directors for the current fiscal term	100% (14 out of 14 meetings)																								
Reasons for nomination as candidate for Outside Director and expected roles	In addition to abundant experience as a corporate manager in global corporations, Mr. SHIINA Shigeru has broad insight into M&A and information technology. Therefore, the Company expects him to participate as an expert in corporate management in deliberations by the Board of Directors, and give valuable advice on our management as an Outside Director. He will have served as an Outside Director for four years at the closing of this General Meeting of Shareholders.																								
Career summary and status of significant concurrent positions	<table><tr><td>October 1991</td><td>Joined NEC Corporation</td></tr><tr><td>April 1999</td><td>Joined KPMG Global Solutions Co., Ltd.</td></tr><tr><td>July 2007</td><td>Managing Executive Officer of BearingPoint K.K.</td></tr><tr><td>May 2009</td><td>Managing Executive Officer of PricewaterhouseCoopers Consultants K.K.</td></tr><tr><td>July 2012</td><td>President and CEO of PricewaterhouseCoopers Co., Ltd.</td></tr><tr><td>June 2016</td><td>Vice President of KPMG Consulting Co., Ltd.</td></tr><tr><td>June 2020</td><td>Outside Director of MIKUNI CORPORATION (current position)</td></tr><tr><td>March 2021</td><td>Outside Director of Hotto Link Inc. (current position)</td></tr><tr><td>June 2021</td><td>Outside Corporate Auditor of C Channel Corporation (current position)</td></tr><tr><td>August 2021</td><td>Director of the Company (current position)</td></tr><tr><td>August 2022</td><td>Representative Director of Maverick, Inc. (current position)</td></tr></table>			October 1991	Joined NEC Corporation	April 1999	Joined KPMG Global Solutions Co., Ltd.	July 2007	Managing Executive Officer of BearingPoint K.K.	May 2009	Managing Executive Officer of PricewaterhouseCoopers Consultants K.K.	July 2012	President and CEO of PricewaterhouseCoopers Co., Ltd.	June 2016	Vice President of KPMG Consulting Co., Ltd.	June 2020	Outside Director of MIKUNI CORPORATION (current position)	March 2021	Outside Director of Hotto Link Inc. (current position)	June 2021	Outside Corporate Auditor of C Channel Corporation (current position)	August 2021	Director of the Company (current position)	August 2022	Representative Director of Maverick, Inc. (current position)
October 1991	Joined NEC Corporation																								
April 1999	Joined KPMG Global Solutions Co., Ltd.																								
July 2007	Managing Executive Officer of BearingPoint K.K.																								
May 2009	Managing Executive Officer of PricewaterhouseCoopers Consultants K.K.																								
July 2012	President and CEO of PricewaterhouseCoopers Co., Ltd.																								
June 2016	Vice President of KPMG Consulting Co., Ltd.																								
June 2020	Outside Director of MIKUNI CORPORATION (current position)																								
March 2021	Outside Director of Hotto Link Inc. (current position)																								
June 2021	Outside Corporate Auditor of C Channel Corporation (current position)																								
August 2021	Director of the Company (current position)																								
August 2022	Representative Director of Maverick, Inc. (current position)																								

No.	7	<div>Reelection</div> <div>Outside</div> <div>Independent</div>														
Name	KAWASHIMA Izumi															
Date of Birth	June 25, 1955 (70)															
Number of shares of the Company held	- shares															
Attendance at the Board of Directors for the current fiscal term	100% (14 out of 14 meetings)															
Reasons for nomination as candidate for Outside Director and expected roles	<p>Ms. KAWASHIMA Izumi has long specialized in the Financial Instruments and Exchange Act and the Companies Act at research institutions affiliated with universities. She also possesses abundant insight into the Companies Act in the U.K and U.S.A. Therefore, the Company expects her to participate as an expert in the study of laws and regulations, including sustainability disclosure, in deliberations by the Board of Directors and give valuable advice on our management as an Outside Director.</p> <p>She will have served as an Outside Director for two years at the closing of this General Meeting of Shareholders.</p>															
Career summary and status of significant concurrent positions	<table><tr><td>March 1985</td><td>Left Graduate School of Law, Waseda University after completing a doctoral course</td></tr><tr><td>April 1989</td><td>Associate Professor at School of Economics, Gifu Keizai University (currently Gifu Kyoritsu University)</td></tr><tr><td>April 1996</td><td>Professor at School of Law, Senshu University</td></tr><tr><td>September 2004</td><td>Professor at Faculty of Social Sciences, Waseda University (current position)</td></tr><tr><td>June 2016</td><td>Outside Director of Oki Electric Cable Co., Ltd.</td></tr><tr><td>June 2018</td><td>Outside Director of Oki Electric Industry Co., Ltd. (current position)</td></tr><tr><td>August 2023</td><td>Director of the Company (current position)</td></tr></table>			March 1985	Left Graduate School of Law, Waseda University after completing a doctoral course	April 1989	Associate Professor at School of Economics, Gifu Keizai University (currently Gifu Kyoritsu University)	April 1996	Professor at School of Law, Senshu University	September 2004	Professor at Faculty of Social Sciences, Waseda University (current position)	June 2016	Outside Director of Oki Electric Cable Co., Ltd.	June 2018	Outside Director of Oki Electric Industry Co., Ltd. (current position)	August 2023
March 1985	Left Graduate School of Law, Waseda University after completing a doctoral course															
April 1989	Associate Professor at School of Economics, Gifu Keizai University (currently Gifu Kyoritsu University)															
April 1996	Professor at School of Law, Senshu University															
September 2004	Professor at Faculty of Social Sciences, Waseda University (current position)															
June 2016	Outside Director of Oki Electric Cable Co., Ltd.															
June 2018	Outside Director of Oki Electric Industry Co., Ltd. (current position)															
August 2023	Director of the Company (current position)															

Notes: 1. The ages of the above candidates for Directors are stated in Western style method as of the closing of this General Meeting of Shareholders.

2. No special interests exist between the Company and the above candidates for Directors.

3. Mr. IUE Toshimasa, Ms. SEKINE Chikako, Mr. SHIINA Shigeru and Ms. KAWASHIMA Izumi are candidates for the position of Outside Director.

4. Ms. KAWASHIMA Izumi has never been directly involved in corporate management other than in her capacity as an outside officer, but as stated in the reasons for nomination as candidate above, the Company determines that she can appropriately perform her duties as Outside Director.

5. The Company has notified the Tokyo Stock Exchange of the appointment of Mr. IUE Toshimasa, Ms. SEKINE Chikako, Mr. SHIINA Shigeru and Ms. KAWASHIMA Izumi as independent officers who have no potential conflicts of interest with general shareholders, as defined by the said exchange.

6. Mr. SHIRAI Kota was newly appointed at the 87th Annual General Meeting of Shareholders held on August 23, 2024. His attendance at the Board of Directors for the current fiscal term refers to meetings held since his appointment.

7. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act. Insured parties under this contract include Directors and Corporate Auditors as prescribed under the Companies Act, and Executive Officers as prescribed under the Executive Officers System, of the Company and its subsidiaries. The contract covers legal damages and litigation expenses in the event that a claim for damages is made against an insured party due to his or her performance of duties. The contract also contains an exception clause excluding from coverage liability due to the illegal provision of personal gains, insider trading, criminal acts, etc. by an insured party. Each candidate who is elected and assumes office as Director will be included among the insured parties under the contract. The Company intends to renew the contract after the present term of the insurance expires.

(Reference)

If Proposal No. 1 is approved then the Company's Directors and Corporate Auditors, and the expertise specifically expected from each, will be as shown below.

However, this does not represent all areas of insight that they possess.

Name		Corporate management/ Management strategy	Finance & accounting/ M&A	Disclosure	Interpreting & translating/ Global	ESG/ Diversity	Legal affairs
Directors							
AKUTSU Seiichiro	Reelection	●	●	●		●	
NOMURA Shuhei	Reelection	●	●	●		●	
SHIRAI Kota	Reelection	●	●	●	●	●	
IUE Toshimasa	Reelection	●	●		●	●	
	Outside						
SEKINE Chikako	Independent	●	●		●	●	
	Reelection						
	Outside						
SHIINA Shigeru	Independent	●	●		●	●	
	Reelection						
	Outside						
KAWASHIMA Izumi	Outside	●		●		●	●
	Independent						
Corporate Auditors							
SUGAYA Noritoshi				●		●	
MATSUO Shinkichi	Outside	●	●	●		●	
	Independent						
TAKANO Daijiro	Outside	●	●		●	●	●
	Independent						

Corporate management/ Management strategy: Corporate management experience and risk management insight

Finance & accounting/ M&A: Qualified practitioners, finance and accounting insight and M&A experience

Disclosure: Disclosure sales experience and abundant insight into financial instruments and the finance field

Interpreting & translating/ Global: Interpreting and translating business experience and industry insight, and experience in overseas business development and with foreign corporations

ESG/ Diversity: Insight into environmental and social contribution activities, corporate governance, diverse working styles, etc.

Legal affairs: Qualified practitioners and legal insight

Proposal No. 2: Continuation of a Policy on the Large-scale Purchase of the Company Shares (Policy in Response to Takeover Bids)

TAKARA & COMPANY LTD. (the “Company”), having received approval by shareholders at the Company’s 70th Annual General Meeting of Shareholders held on August 23, 2007, introduced a policy to respond to large-scale purchases of the Company’s shares (Policy in Response to Takeover Bids). Subsequently, the Company continued the policy based on resolutions at the Annual General Meeting of Shareholders (most recently, at the Company’s 85th Annual General Meeting of Shareholders held on August 26, 2022; the current policy in response to takeover bids, hereinafter the “Current Plan.”). The effective term of the Current Plan is set to expire at the conclusion of the Company’s 88th Annual General Meeting of Shareholders scheduled to be held on August 22, 2025 (hereinafter “this AGMS”).

Based on the “Basic Policy on Corporate Governance” formulated on July 21, 2015, in order to secure the common interests of shareholders based on respect for the will of shareholders, we have continued to examine the details of the Current Plan in accordance with changes in the environment, including whether or not to continue the Current Plan.

In the course of this examination, we reaffirmed that the characteristics of our business are as follows.

The Group's business consists of providing support for the preparation and translation of legally required and voluntary disclosure documents and IR-related documents that are highly confidential or secret, and is therefore considered to be of public interest or public benefit. Moreover, the software developed and operated by the Group, WizLabo, an integrated business reporting system, serves as an important platform for the efficient and accurate preparation of legal disclosure documents under the Financial Instruments and Exchange Act and the Companies Act.

WizLabo has been introduced at more than half of the listed companies in Japan, and this platform is used to aggregate the undisclosed data (accounting and financial results data) of listed companies and others in Japan. Moreover, there are only two major companies in Japan, one of which is the Company, that possess a system capable of providing similar services, thus functioning as extremely important information infrastructure for the maintenance and stability of the national economy and financial markets.



For this reason, the Company also views its business as “information processing services,” which is considered equivalent to a so-called “company engaged solely in businesses other than its core industry” under the Foreign Exchange and Foreign Trade Act.

Under these assumptions and after careful consideration, the Board of Directors, including four Outside Directors, resolved at its meeting held on July 9, 2025 that the Current Plan should be continued (the newly continued plan, hereinafter “the Plan”), subject to approval by the shareholders at this AGMS.

In continuing the Plan, the Company has revised the Plan based on the premise of respecting the will of shareholders, and the main changes are as follows.

- (i) Revisions have been made to the definition of the purchase of Company’s shares which are subject to the Plan. (Added “III - 2 - (iii)” below.)
- (ii) The suspension of invocation of countermeasures, etc. has been clearly stated. (Added “III - 3 - (ix)” below.)
- (iii) Other words and phrases have been corrected and reworded.

Regarding the continuation and revisions to the Plan, the three Corporate Auditors, including two Outside Corporate Auditors, have all stated that they consent to the Plan on the condition that it is appropriately implemented.

At present, no specific proposal for a large-scale purchase of the Company’s shares has been made. In addition, the status of the Company’s shares and major shareholders as of May 31, 2025 is as shown in the Business Report “Status of Shares.”

I: Basic Policy on Who Is Suitable to Be Entrusted with Control of Decision-Making over the Financial and Business Policies of the Company

The Company is convinced that the enhancement of corporate value and the common interests of shareholders can only be achieved by ensuring profit returnable to shareholders, continuously over the medium to long term, and sufficiently fulfilling its role and mission in society while maintaining management independence. The Company believes it is of crucial importance to maintain and develop sound and appropriate relations with stakeholders, including a focus on clients, business partners and employees, and of course shareholders. These, we believe, are the kinds of management principles that are fundamental to maintaining the Group's edge in its core business of disclosure and IR services, in addition to interpreting and translating.

When a bid is made to purchase the Company's shares, therefore, it will be necessary for the Company to seriously consider the impact of the bid on the Company's corporate value and the common interests of shareholders, and to make an appropriate judgment. This includes not only the feasibility and legality of the business plan proposed by the purchaser, but also the tangible and intangible management resources possessed by the Group, particularly focusing on the impact of the purchaser's proposal on the trust of the Group's clients, as well as the individual impact on each stakeholder, and how these will affect the corporate value of the Company; the benefits that would accrue should the purchase be made; the actual state of the Group's finances and operations, and other factors contributing to the Company's corporate value.

Based on this understanding and examination, and also to realize negotiations aimed at the most favorable transaction terms possible for shareholders, if it is considered that a large-scale purchase of the Company's shares may harm its corporate value, symbolized by the Group's know-how and WizLabo in its core business of disclosure and IR services, and thereby undermine the common interests of shareholders, the Company will regard that the party making that purchase is not suitable to be entrusted with control over decision-making on the financial and business policies of the Company.

To be specific, a large-scale share purchase will be deemed incompatible with the Company's corporate value and the common interests of its shareholders in such cases as these: (i) if the purchase poses a clear threat of damaging the Company's corporate value and the common interests of shareholders; (ii) if it could effectively compel shareholders to sell their shares, as in a coercive two-tier takeover (in the case of a tender offer, offering to buy up all the Company's shares at the time of the initial purchase and setting unfavorable conditions of purchase for the second stage, which may effectively coerce shareholders to sell the Company's shares); (iii) if it is implemented without allowing the Company reasonable time to propose an alternative; (iv) if it is implemented without providing shareholders with the information reasonably deemed necessary to judge the specifics of the purchase; or (v) if the conditions of the purchase (e.g., the amount to be paid or form of payment, the timing of the purchase, or the legality of the method of purchase) are inadequate or inappropriate in light of the Company's actual corporate value, they will be considered unwilling to contribute to the Company's corporate value and the common interests of its shareholders.

On the other hand, if the content of the proposal is deemed to be sincere and conducive to the Company's corporate value and the common interests of its shareholders, the Company will view the proposal as something that should be seriously considered and that negotiations should be conducted with the aim of achieving the most favorable transaction terms possible for shareholders.

II: Steps Designed to Contribute to Realization of the Basic Policy

1. The source of the Company's corporate value

In the disclosure-related business, the Group, led by its subsidiary Takara Printing Co., Ltd., provides support for the preparation of disclosure and investor relations documents under the Financial Instruments and Exchange Act, the Companies Act, etc., on commission from listed companies and other clients. It also has developed an integrated business reporting system, "WizLabo," to assist in the preparation of such documents, and to provide a platform for the preparation of financial results and other information, including client's insider information, playing an important role in the development of fair capital markets. Should the Company encounter a situation that hinders the smooth execution of this business, operations with client data may be hindered, and its clients' disclosure and IR activities may be impeded, which could lead to a material effect on the maintenance of fair capital markets. Accordingly, we believe that the Group has a crucial responsibility in society regarding its business execution.

Moreover, in its interpreting and translating business, the Group is not limited to the translation of disclosure-related documents as it also handles clients' (including government organizations) important confidential information. It is therefore essential for the Group's businesses to maintain a highly secure environment and advanced expertise in order to protect and secure the secret or sensitive information (including insider information) entrusted to it by clients.

Since their foundation, the Company and its Group companies have accumulated and developed information and various tools related to disclosure and IR, as well as know-how possessed by each individual employee, networks with cooperative business partners, and the platform provided by WizLabo, all of which constitute valuable and important assets that can be offered to clients. We believe that the wellspring of our corporate value is to earn the trust of our customers and, at the same time, to create an environment in which we can act in accordance with their needs, and to conduct management that enhances the strength of our organization.

2. Initiatives to raise corporate value

Since the Company was founded, it has engaged as a comprehensive group that specializes in supporting clients' preparation of corporate disclosure and IR-related documents that are highly confidential or sensitive, as well as interpreting and translating, etc. The Company has secured a management framework emphasizing information management and quality control systems, including WizLabo, not to mention expert knowledge.

The Group has been working to enhance its risk management system in order to develop and improve the internal control system, as well as to further enhance its corporate governance based on the "Basic Policy on Corporate Governance." At the same time, the Company has formulated and launched "Medium-Term Management Plan FY2026" and is working to achieve the plan's targets.

Having established its "Vision for the Year 2030," the Group formulated its Medium-Term Management Plan spanning the three-year period from the fiscal year ended May 31, 2024 to the fiscal year ending May 31, 2026, this being a growth strategy to realize this vision. Setting its sights on its "vision," the Group has pushed forward on executing and bringing to reality its action plans for each of five specific material issues, and by carrying out our mission we will sustainably raise the corporate value of the Company and its clients. In addition, it is our "human resources" that form an important foundation for the Group. We will work toward the sustained growth of human capital, and the development of relationships of trust.

Medium-Term Management Plan FY2026 is the concrete strategy for such growth, and this is grounded in the Basic Policies: Promote Sustainability Management; Facilitate the Expansion of Globalization; Expand New Business Areas; Formulate Group Strategies and Strengthen Group Collaboration; and Improve the Corporate Value of Each Group Company. Based on these five Basic Policies, we will advance on key measures for each business segment. In particular, we will make concerted efforts, including to strengthen web services and consulting services for each business, to nurture highly skilled human resources, and for global capabilities. Along with these, through utilization of M&A conscious of capital costs, and other initiatives, we will work to maximize shareholder value.

The Group will work as one to accomplish the goals of the Medium-Term Management Plan, aiming to achieve net sales of ¥33.0 billion, operating income of ¥4.4 billion, and ROE of 10% in the fiscal year ending May 31, 2026, the final year of the plan.

Numerical targets in the Medium-Term Management Plan FY2026

	2024/5		2025/5		2026/5
	(Planned)	(Results)	(Results)		(Planned)
Net sales	¥28.8 billion	¥29.2 billion	¥29.6 billion		¥33.0 billion
Operating income	¥3.9 billion	¥4.2 billion	¥4.0 billion		¥4.4 billion
Operating income to net sales	13.5%	14.5%	13.6%		13.3%
Profit	¥2.6 billion	¥3.0 billion	¥4.0 billion		¥3.1 billion
ROE	10.1%	11.5%	14.1%		10.0%

* "Profit" refers to profit attributable to owners of parent.

Upon expiration of the period covered by this medium-term management plan, we intend to formulate and announce a new medium-term management plan.

* "Medium-Term Management Plan FY2026" is posted on the Company's website:
<https://www.takara-company.co.jp/english/ir/policy/management-plan.html>

Regarding the return of profits to shareholders over the long term, we consider this matter as one of the important management issues, and based on our policy on maintaining stable dividends, having taken into consideration the reinforcement of our corporate structure and future business developments, we pay dividends commensurate with financial performance. Since we believe we have sufficient internal reserves for smooth business operations, we intend to return profits to shareholders in the form of dividends, as much as possible.

3. Initiatives to strengthen corporate governance

Under the Corporate Philosophy of "fulfill our role as a public entity of society," we aim to "continue to be a global company indispensable to society by improving the expertise of each group company and contributing to the expansion of corporate value for our customers." We also stay true to our Credo (Value, Integrity, Professionalism, Diversity, Judgment) and strive to grow the entire Group in a sustainable manner and to enhance its value to society and medium- to long-term corporate value for shareholders and other

stakeholders. In order to achieve this, we have been working to improve our internal control system and further enhance our corporate governance through efforts such as establishing and enforcing the Ethics and Compliance Regulations, ensuring that our officers and employees strictly comply with laws, regulations and the Articles of Incorporation together with strengthening our risk management system.

*Please see the following website of the Company for details on the Company's latest corporate governance initiatives and its basic policies on corporate governance:
<https://www.takara-company.co.jp/english/ir/policy/cg.html>

III: Specifics of the Plan

Our policy on the large-scale purchase of company shares ("the Plan") is designed to keep control of decision making over the Company's financial and business policies out of the hands of purchasers who, in light of this policy, pose a clear threat of damaging the Company's corporate value and the common interests of its shareholders.

The Plan shall be subject to resolution by the General Meeting of Shareholders, and shall not be intended to serve Directors' own interests but to serve the common interests of shareholders.

1. Purpose of Adoption of the Plan

The Company does not consider all large-scale share purchases unacceptable. Nonetheless, as is clear from past instances in Japan, some large-scale share purchases can damage corporate value and harm the common interests of shareholders.

In the case of a purchase of the Company's shares or a similar act, or a proposal to purchase company shares (hereinafter the general term "purchase"), the Plan clearly sets out procedures to be followed by the party making the purchase or proposal (hereinafter the general term "purchaser"). It is thereby designed to ensure that shareholders are given sufficient necessary information and time to reach an appropriate decision. It is also designed to secure the opportunity to negotiate with the purchaser. By means of the Plan, the Company hopes to keep control of decision-making over the Company's financial and business policies out of the hands of purchasers who, in light of this policy, pose a clear threat of damaging the Company's corporate value and the common interests of its shareholders, and thus to prevent its corporate value from being damaged and the interests of its shareholders from being undermined contrary to their intentions.

2. Purchases Subject to the Plan

If a purchaser implements a purchase of said shares of the Company, or similar act that matches any of the descriptions below (however, excluding those instances for which the Board of Directors of the Company has granted its approval; such acts hereinafter "a subject purchase"), the Company will consider whether or not to issue stock acquisition rights without charge or take such other countermeasures as are permitted under the law and the Company's Articles of Incorporation (sometimes referred to hereinafter simply as "countermeasures").

- (i) A purchase that, with respect to shares and other securities¹ issued by the Company, would result in the ratio of shares and other securities held² by a particular holder³ exceeding 20%
- (ii) A tender offer that, with respect to shares and other securities⁴ issued by the Company, would result in the total of the ratio of held shares and other securities⁵ covered by the tender offer⁶ and of the ratio of shares and other securities held by special stakeholders⁷ exceeding 20%
- (iii) Regardless of whether or not each of the acts stipulated in (i) or (ii) above is carried out, an act between a particular holder of shares and other securities of the Company and another holder of shares and other securities of the Company (including multiple holders; the same applies in (iii) as follows), and any agreement or other act that would cause said other holder to become a joint holder⁸ of said particular holder as a result of such act, or acts⁹ which are reasonably deemed as any act that establishes a relationship¹⁰ between said particular holder and said other holder whereby one substantially controls the other or whereby they act jointly or in concert (however, this is limited to cases where the sum of the shareholding ratios of said particular holder and said other holder with respect to shares and other securities issued by the Company is 20% or more.).

*1-7 Each of these terms is to be understood as defined in the Financial Instruments and Exchange Act (Act No. 25 of April 13, 1948).

*8 Joint holders as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including those deemed to be joint holders pursuant to Paragraph 6 of the same article (including those deemed to fall under this category by the Board of Directors of the Company). The same applies hereinafter unless otherwise specified.

*9 The determination of whether or not "said particular holder as a result of such act, or any act that establishes a relationship between said particular holder and said other holder whereby one substantially controls the other or whereby they act jointly or in concert" is established, shall be made on the basis of direct or indirect facts, etc. that suggest that there is a communication of intent between the said particular holder and said other holder, and include relationships covering new investments, business alliances, transactions or contracts, concurrent positions as Director, funding provision, granting of credit, the purchase status of the Company's shares and other securities, status of exercise of voting rights regarding the Company's shares and other securities, formation of substantial interests, etc. in the Company's shares through derivatives or stock lending, etc., and other direct or indirect influence

of said particular holder and said other holder on the Company. In determining whether a fund is a union fund or other fund, the substantive identity of the fund manager and other relevant factors will be taken into consideration.

*10 The Company's Board of Directors shall make a reasonable judgment as to whether or not the acts prescribed in (iii) are relevant (in making such determination, the recommendations of the Special Panel shall be respected to the maximum extent possible). The Board of Directors of the Company may request the holder to provide necessary information to the extent needed to determine whether or not the requirements of (iii) are met.

3. Procedures for Invocation or Non-invocation of Countermeasures

(1) Establishment of a Special Panel

If a subject purchase has been or may be implemented, the Company's Board of Directors will promptly establish a Special Panel independent of the Board.

The Special Panel will, independently of the Board of Directors, deliberate and make recommendations to the Board of Directors with regard to invoking or not invoking the Plan.

In the interests of protecting the corporate value of the Company and the common interests of its shareholders, the Special Panel will consult and negotiate with the purchaser as necessary, either directly or indirectly, in accordance with "(2) Request to the Purchaser for Information" below. If the Special Panel asks the purchaser to furnish documentation for study or other information, or to enter consultations or negotiations, the purchaser must promptly accede.

An overview of the Special Panel is provided in "IV: The Special Panel."

(2) Request to the Purchaser for Information

Except where the Company's Board of Directors deems it unnecessary, a purchaser engaging in a subject purchase will, before going ahead with the purchase, submit to the Board of Directors a written statement (hereinafter "purchase description") containing the following information, along with a pledge to comply with the procedures set out in the Plan when implementing the purchase:

- (i) details about the purchaser and the purchaser's group (including joint shareholders, special stakeholders, association members, and, in the case of a fund, any other constituent members), including a specific name, address, the law under which established, name of the representative, contact information in Japan, capital structure, and financial structure;
- (ii) the purpose, method, and specifics of the purchase, including the purchase price and form of payment, purchase timing, relevant transaction methods, the legality of the proposed purchase method, and feasibility of the purchase;
- (iii) the basis on which the purchase price is calculated, including the facts on which the calculation is predicated, the method of calculation, and the numerical information used to make the calculation; as well as the premium value expected to arise from the series of transactions involved in the Purchase and the basis on which that value is calculated, and specifically the premium value to be distributed to minority shareholders and the basis on which that value is calculated;
- (iv) evidence of funding to make the purchase, including the specific names of the providers (including the real providers) of the purchase funding, how it is to be raised, and details of relevant transactions;
- (v) management policies, business plans, capital policies, and dividend policies for the Group to be implemented after the purchase;
- (vi) policies pertaining to the treatment of the Group's clients, business partners, employees, community stakeholders, and so forth to be implemented after the purchase;
- (vii) any legislative or other regulations that may apply to the purchase proposal, as well as the possibility that legislative or other approval or licensing can be obtained;
- (viii) the possibility that the licensing required for the Group to operate can be maintained after the purchase, and that legislative and other regulations can be duly observed; and
- (ix) such other information as the Special Panel deems reasonably necessary.

Upon the Company's receipt of the purchase description, the Board of Directors will promptly submit it to the Special Panel.

If the Special Panel reasonably determines that the information contained in the purchase description falls short of what is required, it may make a separate request to have the large-scale purchaser provide additional information (however, the Special Panel shall not request to the shareholders any additional information beyond the level necessary for them to properly determine the appropriateness of the acquisition and for the Special Panel to evaluate and consider the acquisition, such as the attributes of the large-scale purchaser, the details and nature of the large-scale purchase and undisclosed information proposed by the large-scale purchaser, and other factors). The request for such additional information is to be made with setting a reasonable deadline to reply (up to 60 days) as appropriate, and shall be made within 10 days of receipt of the purchase description or following receipt of such additional information.

To enable proper disclosure of information to our shareholders, the purchase description and any additional information submitted must, whatever language they are in, be accompanied by a Japanese translation. For the same reason, the Japanese text will be treated as the official version.

(3) Request by the Special Panel for Opinions and Information from the Company's Board of Directors

Once the purchaser has submitted the purchase description and any other additional information requested, the Special Panel will

ask the Company's Board of Directors to submit its opinions on the specifics of the purchase by the purchaser, setting a reasonable deadline within ten business days of receipt of that description. Along with its opinions, the Board will also be asked to submit documentation to back them up, an alternative plan, and such other information as the Special Panel may deem necessary.

(4) Course of the Special Panel's Deliberations

Upon receipt of the purchase description and the other information requested from the purchaser, and of the opinions, documentation, and other information requested from the Company's Board of Directors, the Special Panel will have a maximum period of, as a rule, sixty days to deliberate ("period for deliberation by the Special Panel"). (The Special Panel can however extend this period under 3.6.(iii).) During that time, the Special Panel will gather information on the respective business plans, etc. of the purchaser and the Company's Board of Directors, examine the details of the purchase by the purchaser and of the alternative plan proposed by the Company's Board, and compare the two. It will analyze the details of the purchase from the standpoint of protecting the Company's corporate value and the common interests of its shareholders.

To ensure that its judgments indeed contribute to the Company's corporate value and the common interests of its shareholders, the Special Panel can, at the Company's expense, seek the advice of independent third parties including certified public accountants, lawyers, consultants, financial advisers, and other experts.

(5) Disclosure of Information to Shareholders

The Company will promptly disclose to shareholders the emergence of a purchaser, a summary and facts of receipt of the description from the purchaser, the opinion of the Company's Board of Directors on the details of the purchase by the purchaser, a summary and facts of the alternative plan presented by the Board, facts of the beginning and the end of the period for deliberation by the Special Panel and such other information as the Special Panel or the Board of Directors of the Company consider appropriate. However, information deemed by the Panel as unsuitable for disclosure, such as business secrets, will be exempt from disclosure.

(6) How the Special Panel Reaches Its Decision

If a purchaser emerges, the Special Panel will implement the procedures described below.

The details of the recommendation made by the Special Panel in line with these procedures will, along with other relevant information, be promptly disclosed by the Company upon adoption of the relevant resolution. (If the period for deliberation by the Special Panel is extended as per (iii) below, the information disclosed will include the length of and reason for the extension.)

(i) If the Special Panel recommends invocation of Countermeasures

If the Special Panel determines that the purchase by the purchaser meets one of the conditions stipulated in "4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures" below, and concludes that it is, therefore, appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel will recommend to the Company's Board of Directors that such measures be implemented.

(ii) If the Special Panel recommends non-invocation of Countermeasures

If, as the result of examining the details of the purchase by the purchaser and negotiating with the purchaser, the Special Panel concludes that the purchase meets none of the conditions stipulated in "4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures" below or concludes that, although the purchase meets one of those conditions, it would not be appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel will recommend to the Company's Board of Directors that no such measures be implemented.¹¹

¹¹ However, if a change occurs in the facts upon which this recommendation is predicated, leading the Special Panel to conclude that the purchase now meets one of the conditions stipulated in "4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures" below, and that it is, therefore, appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel can reach a different decision, which may include recommending to the Company's Board of Directors that stock acquisition rights be issued without charge or other countermeasures taken.

(iii) If the period for deliberation by the Special Panel is extended

If, by the end of the original period for deliberation by the Special Panel, the Panel has not yet formulated a recommendation on whether or not to issue stock acquisition rights without charge or implement other countermeasures, the Panel can decide to extend the period of deliberation for as long as considered reasonably necessary (provided, however, no more than thirty days) in order to examine the details of the purchase by the purchaser, negotiate with the purchaser, and so forth.

(7) Resolution of the Board of Directors

The Board of Directors of the Company shall respect the recommendation of the Special Panel under "(6) How the Special Panel Reaches Its Decision" above in resolving whether or not to issue stock acquisition rights without charge or implement other countermeasures.

Upon adoption of the resolution, the Board of Directors will promptly disclose its content and other relevant information.

The purchaser cannot implement the purchase of company shares until the Company adopts this resolution.

(8) Holding of General Meeting of Shareholders for Confirming Shareholder Intentions

If the Special Panel has recommended the Board of Directors of the Company to hold a General Meeting of Shareholders for Confirming Shareholder Intentions to confirm the intention of shareholders with respect to whether to issue stock acquisition rights without charge or implement other countermeasures, or the Board of Directors of the Company has decided in accordance with its duty of care that it is appropriate to confirm the intention of shareholders regarding matters such as whether it satisfies the “4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures” below, the Board of Directors of the Company may hold a General Meeting of Shareholders for Confirming Shareholder Intentions to consult with the shareholders. However, in cases where a large-scale purchase is deemed to constitute a coercive market purchase, where it is deemed that there is a clear risk of damage to shareholder value from a long-term perspective, or where the purchase method is deemed to prevent free decision-making of shareholders, and where a recommendation has been made by the Special Panel, the Board of Directors of the Company may handle the results of the exercise of voting rights by shareholders other than large-scale purchaser and its group (including joint holders, special stakeholders, and other members (in the case of a fund)) as shareholder intentions.

(9) Suspension of Countermeasures, etc.

After a decision to invoke a specific countermeasure is made by the Company’s Board of Directors or the General Meeting of Shareholders for Confirming Shareholder Intentions in accordance with the above procedures, if the Board of Directors of the Company determines it is inappropriate to invoke the countermeasures, such as in cases where the said large-scale share purchaser withdraws or changes the large-scale share purchase, the Company may suspend the invocation of the countermeasure, giving a maximum degree of respect to the opinions and recommendations of the Special Panel.

For example, in cases of issuing stock acquisition rights without charge as a countermeasure, even if a resolution is made at the Company’s Board of Directors, or after an issuance without charge, if the Board of Directors of the Company determines it is inappropriate to invoke countermeasures, such as in cases where the said large-scale share purchaser withdraws or changes the large-scale share purchase, upon having received a recommendation from the Special Panel, the Company may cancel the issue of stock acquisition rights without charge until the day before the effective date of the stock acquisition rights or, after the issue of stock acquisition rights without charge, may suspend the invocation of countermeasures, etc. by way of issuing stock acquisition rights without charge by the Company until the day before the first day of the exercise period.

If a suspension, etc., of invoking such a countermeasure occurs, prompt disclosure shall be made along with any matters deemed necessary by the Special Panel.

4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures

If the purchaser fails to abide by the procedures stipulated in the Plan, or if, although the purchaser abides by those procedures, the purchase corresponds to one of the descriptions below, and it is therefore deemed appropriate to issue stock acquisition rights without charge or take other countermeasures, the Special Panel will recommend the Company’s Board of Directors implement such measures in accordance with the procedures stipulated in 3. above, “Procedures for Invocation or Non-invocation of Countermeasures.” The Board of Directors will then decide, based on the Special Panel’s recommendation, whether or not to invoke countermeasures.

- (i) If the purchase poses a clear threat of damaging the Company’s corporate value and the common interests of its shareholders in that it involves one of these or similar behaviors:
 - a. though there exists no true intention of participating in the management of the Company, buying up shares for the purpose of making the Company buy back the shares at a premium, which is deemed a so-called “greenmailer” scenario;
 - b. gaining temporary control of the Company and then transferring its important assets such as clients’ confidential information including insider information, disclosure and IR-related information, know how, network with our business partners, disclosure document preparation system, or factory facilities to the purchaser or its group companies. These types of conduct are deemed to be for the iniquitous purpose or for the benefits of the purchaser to the detriment of the public interest of the Company’s business;
 - c. intention to misappropriate Company assets to use as security for the purchaser’s own debt or that of one of its group companies, or to pay down such debt, all of which are deemed a leveraged buyout for realizing profits with no public interest; or
 - d. gaining temporary control of the Company and having it dispose of its real estate, securities and other assets, etc. that are not immediately related to its business, which is deemed to be for the purpose of causing the Company to pay temporarily inflated dividends out of the profits gained from such disposition; or taking advantage of the sudden jump in share price triggered by that temporary surge in dividends to sell off the shares at a premium.
- (ii) If the purchase could effectively compel shareholders to sell their shares, as in a coercive two-tier takeover.
- (iii) If the purchase is implemented without the Company being given the time reasonably necessary to present an alternative plan.
- (iv) If the purchase is implemented without shareholders being adequately provided with the information requested and such other information as is deemed reasonably necessary in order to assess the details of the purchase.

- (v) If the conditions of the purchase (e.g., amount to be paid or form of payment; timing of the purchase; legality of the method of purchase; feasibility of the purchase; management policies or business plans to be implemented after the purchase; the impact of the purchase on the Company's relationship with its clients; or policies pertaining to the treatment of the Company's clients, business partners, employees, community stakeholders, and so forth to be implemented after the purchase) are inadequate or inappropriate in light of the Company's actual corporate value.

5. Countermeasures Other Than the Issue of Stock Acquisition Rights without Charge

Besides the issue of stock acquisition rights without charge, the Company's Board of Directors may in certain cases choose to take one of the other countermeasures permitted under the law and the Company's Articles of Incorporation. In that case, it will select the form of action deemed appropriate at the time, such as the issue of shares for subscription, after referring the matter to the Special Panel.

IV: The Special Panel

If a subject purchase has been or may be implemented, the Company's Board of Directors will promptly establish a Special Panel.

To guarantee the Special Panel's impartiality, objectivity, and reasonableness, the Board of Directors will appoint to the Panel individuals who have a high degree of independence from both the Company's Board of Directors and the purchaser, namely, outside directors, outside corporate auditors, or outside eminent persons such as lawyers or university professors. The appointed members will elect a chairperson from their number. The Panel will consist of three or more members. For an overview of the Special Panel to be established under the Plan, see Appendix 1, "The Special Panel Rules." For the names of the candidates for Panel individuals and brief summaries of their careers, see Appendix 2, "Candidates for the Special Panel."

V: Overview of the Applicable Stock Acquisition Rights

If under the Plan it is decided to issue stock acquisition rights without charge (hereinafter the "applicable stock acquisition rights"), the Company will notify all shareholders recorded in the latest register of shareholders or register of beneficial shareholders as of a specific date, to be set by the Company's Board of Directors, that stock acquisition rights will be issued to them, without charge, at the rate separately determined by the Board of Directors per share held. Two conditions will be imposed on these stock acquisition rights: (i) the exercise provision that certain parties including the purchaser will not be allowed to exercise those rights; and (ii) the acquisition provision that the Company will acquire one stock acquisition right in exchange for one Company share from any shareholder other than the purchaser and related parties.

VI: Approval of the Plan by the General Meeting of Shareholders

The Plan will be rescinded if it fails to be approved by the shareholders at the General Meeting of Shareholders.

VII: Effective Term, Repeal, and Revision of the Plan

The effective term of the Plan will be approximately three years from the conclusion of the General Meeting of Shareholders, until the conclusion of the General Meeting of Shareholders relating to the fiscal term ending on May 31, 2028.

The Company can repeal the Plan before its effective term expires by a resolution of the Board of Directors.

In the interests of maintaining and enhancing its corporate value and the common interests of its shareholders, the Company can also modify the Plan during its effective term by a resolution of the Board of Directors, as long as the modifications do not violate the spirit of the Plan as approved by the Annual General Meeting of Shareholders.

The Company can repeal or revise the Plan during the effective term of the Plan with the approval of a majority of the shareholders at a General Meeting of Shareholders. If the Plan is repealed or revised, the Company will promptly disclose the relevant details.

VIII: The Reasonableness of the Plan

In line with the Company's basic policy, the Plan fulfills related laws and regulations, court precedents, Regulations for Trading Supervision Systems at Trading Participants to Prevent Unfair Trading set out by Tokyo Stock Exchange, Inc., and three principles set out in the related laws and regulations the Guidelines on Anti-takeover Measures Designed to Guarantee or Enhance Corporate Value and the Common Interests of Shareholders (Ministry of Economy, Trade and Industry and Ministry of Justice, May 27, 2005): (i) the

principle of guaranteeing and enhancing corporate value and the common interests of shareholders; (ii) the principle of prior disclosure and the will of the shareholders; and (iii) the principle of necessity and appropriateness, and the three principles set out in Guidelines for Corporate Takeovers announced by the Ministry of Economy, Trade and Industry on August 31, 2023, namely, (i) Principle of Corporate Value and Shareholders' Common Interests; (ii) Principle of Shareholders' Intent; and (iii) Principle of Transparency, as well as contents of guideline set forth in the "Takeover Defense Measures in Light of Recent Environmental Changes" (Corporate Value Study Group, June 30, 2008).

1. The Will of Shareholders Is Respected

The Plan will be rescinded if the essential thinking behind it fails to be approved by the shareholders at the General Meeting of Shareholders.

The effective term of the Plan is restricted to approximately three years. In addition, the Company's Directors serve for a term of one year; hence shareholders have a chance for their voice to be heard once a year when the Directors come up for election.

2. Decisions Are Based on the Recommendation of Highly Independent Outsiders, and Information Is Duly Disclosed

Under the Plan, a Special Panel is established consisting of individuals who are in a position to oversee the Board of Directors, to wit, outside directors, outside corporate auditors, and outside eminent persons such as lawyers or university professors. The decision on whether or not to invoke the Plan is made by a resolution of the Board of Directors in accordance with the Panel's recommendation. The adoption of these procedures creates a mechanism that prevents arbitrary decisions by the Company's management and ensures that the Plan is administered fairly in such a way as to contribute to maintaining and enhancing the corporate value of the Company and the common interests of its shareholders.

To further increase the transparency of the Special Panel's decisions, a summary of the purchase description submitted by the purchaser, the opinions of the Company's Board of Directors on the specifics of the purchase by the purchaser, a summary of the Board's alternative plan, and such other information as the Special Panel deems appropriate are in principle promptly disclosed to shareholders.

3. Objective Conditions Are Established for Invoking the Plan

The Plan is designed not to become activated unless certain rational, objective conditions defined in advance are met. This mechanism serves to prevent arbitrary decisions by the Company's Board of Directors.

4. The Views of Third-party Experts Are Obtained

The Special Panel can, at the Company's expense, seek the advice of independent third parties including certified public accountants, lawyers, consultants, financial advisers, and other experts. This further strengthens the impartiality and objectivity of the Special Panel's decision.

5. The Plan Is Not a Dead-hand or Slow-hand Defense

The Plan can, before its effective term expires, be repealed by a resolution of the Company's Board of Directors. It is therefore not a so-called dead-hand defense.

The Company's Directors serve for one-year terms, and those terms are not staggered. The Plan is thus not a so-called slow-hand defense either.

IX: Impact on Shareholders

1. Impact on Shareholders at the Time of the Plan's Adoption

At the time of the Plan's initial adoption, there is no direct specific impact on the rights and interests of shareholders and investors, since no issuance of applicable stock acquisition rights without charge then takes place.

2. Impact on Shareholders When Applicable Stock Acquisition Rights Are Issued Without Charge

Applicable stock acquisition rights will be granted, without charge, at a rate separately determined, to all persons who are shareholders of the Company as of a specific date, which is set separately by the Company's Board of Directors in the resolution deciding that stock acquisition rights are to be issued. All shareholders will automatically receive their stock acquisition rights on the date when the issue of those rights takes effect; no application procedures are thus required.

In exchange for Company's shares, the Company will, by resolution of the Board of Directors, acquire applicable stock acquisition

rights from any shareholder except the purchaser, which will be unable to exercise stock acquisition rights (hereinafter as “the rights-restricted purchaser”). Shareholders other than the rights-restricted purchaser will thus receive Company shares without exercising the applicable stock acquisition rights or paying money equivalent to the exercise price; the Company shares they hold will therefore not be diluted.

When applicable stock acquisition rights are to be issued without charge, a base date relating to the issue of those stock acquisition rights will be announced. Stock acquisition rights will then be granted, without charge, to shareholders as of that base date.

When the Board of Directors passes a resolution deciding to acquire applicable stock acquisition rights, the Company will acquire those rights as of a date separately determined by the Board of Directors in accordance with legally prescribed procedures. Shareholders will be issued Company stock in return. In such cases the Company may ask such shareholders to separately submit a written statement, in a format prescribed by the Company, asserting, among other matters, that they are not the rights-restricted purchaser.

Even after the base date for issue of the applicable stock acquisition rights, or after the issue of those rights takes effect, the Company may, by the day before the first day of the exercise period for the applicable rights, cancel the issuance of the applicable rights or acquire the applicable stock acquisition rights without charge and without issuing Company shares to those holding those rights under certain circumstances such as the purchaser withdrawing its large-scale purchase bid. In such cases the value per share will not be diluted; considerable damages may therefore be sustained by shareholders or investors who trade the stock in anticipation of a dilution in its per-share value.

In addition to the above, details of the method of allotment, exercise and acquisition by the Company will be disclosed or announced to shareholders upon adoption by the Board of Directors of a resolution to issue applicable stock acquisition rights without charge.

Appendix 1

The Special Panel Rules

Article 1

This set of rules governs the operation and activities of the Special Panel to be established by the Board of Directors in order to consider the question of whether to invoke the policy on the large-scale purchase of shares and other securities of the Company (“the Policy”).

Article 2

The Special Panel shall be established by resolution of the Board of Directors.

Article 3

The Special Panel shall consist of three or more members. These members shall be appointed by the Board of Directors from among individuals independent of the management team that runs the Company’s operations, which individuals shall fall into one of the following categories: The category “outside eminent persons” excludes individuals falling into Categories (i) or (ii). An outside eminent person must be one of the following; a chief company executive whose company does not have a vested interest in any executive of the Company Group and the Group itself; a former government official; a financial adviser; a lawyer; a certified public accountant; an academic; or the equivalent. An outside eminent person must also have executed an agreement with the Company, in a format to be separately prescribed by the Board of Directors, which includes a due-diligence clause.

- (i) outside directors of the Company
- (ii) outside corporate auditors of the Company; or
- (iii) outside eminent persons other than the above.

Article 4

1. The term of office of Special Panel members shall expire at the end of the Annual General Meeting of Shareholders relating to the last business year to end within one year of their appointment, except if decided otherwise by resolution of the Board of Directors.
2. If a Special Panel member as defined above is an outside director or outside corporate auditor, but later ceases to be a director or corporate auditor, his or her term of office as a member of the Special Panel shall expire at the same time. Nonetheless, if the Special Panel member still fulfills the requirements for being deemed an outside eminent person, the Board of Directors may reappoint him or her as a Special Panel member after having followed the prescribed procedures.

Article 5

1. The Special Panel shall, independently of the Board of Directors, deliberate and decide on the matters listed in the following items, and shall make recommendations to the Board of Directors, providing the reasons for its decisions. In such cases, the members of the Special Panel shall make their decisions based on whether or not they are in the best interests of the Company's corporate value and the common interests of its shareholders, and shall not act solely for the personal benefit of themselves or the Company's management.
 - (i) Execution or non-execution of the issuance of stock acquisition rights without charge
 - (ii) Cancellation of the issuance of stock acquisition rights without charge or acquisition of stock acquisition rights without charge
 - (iii) Other matters to be determined by the Board of Directors, including matters referred to the Special Panel by the Board of Directors.
2. As the body enshrined in the Corporation Law, the Board of Directors shall pass a resolution deciding, for instance, to issue or not to issue applicable stock acquisition rights without charge, in so far as possible respecting the above recommendation by the Special Panel.
3. In addition to the matters enumerated in Clause 1, the Special Panel shall also be responsible for the following:
 - (i) determining whether the purchase in question merits invoking the Policy;
 - (ii) deciding what information the purchaser and the Board of Directors should provide to the Special Panel, and setting the deadline for doing so;
 - (iii) determining and extending the length of the period for deliberation by the Special Panel;
 - (iv) scrutinizing and analyzing the details of the purchase by the purchaser;
 - (v) negotiating and consulting with the purchaser and others, whether directly or through the Board of Directors;
 - (vi) asking the Board of Directors to submit an alternative plan, examining the alternative plan drawn up by the Board of Directors;
 - (vii) approving revisions or changes to the Policy;
 - (viii) performing such other functions as the Special Panel is authorized to carry out under the Policy; and
 - (ix) performing such functions as the Special Panel is authorized to carry out by the Board of Directors.

Article 6

1. If the Special Panel determines that the information contained in the purchase description falls short of what is required under the Policy, it shall ask the purchaser to submit such additional information as is required under the Policy.
2. Once the purchaser has submitted the purchase description, as well as such additional information as is required under the Policy

as per the preceding clause, the Special Panel can ask the Company's Board of Directors to submit, by a reasonable deadline, its opinions on the specifics of the purchase by the purchaser, along with documentation to back them up, an alternative plan, and such other information and data as the Special Panel may deem necessary.

Article 7

1. If it deems it necessary, the Special Panel shall, either directly or through the Board of Directors, consult and negotiate with the purchaser in order to improve the terms of the purchase in the interests of protecting the corporate value of the Company and the common interests of its shareholders.
2. In accordance with the results achieved as per the provisions of the preceding clause, the Special Panel shall present an alternative plan to the shareholders.

Article 8

In order to gather necessary information, the Special Panel can ask the Board of Directors to arrange for the attendance of directors, corporate auditors, executive officers, employees, and any other persons whose attendance the Special Panel deems necessary, and can ask those persons to brief it on such matters as it stipulates.

Article 9

The Special Panel can, at the Company's expense, seek the advice of independent third parties (e.g., financial advisers, certified public accountants, lawyers, consultants, and other experts).

Article 10

Any member of the Special Panel can convene the Special Panel whenever a purchase bid has occurred or at any other time.

Article 11

Resolutions of the Independent Panel shall in principle be adopted by a majority of the members present with all members in attendance. In the absence or disability of a member, however, a resolution can be adopted by a majority of the members present with a majority of members in attendance.

Appendix 2

Candidates for the Special Panel

NAKAMURA Nobuo

April 1991	Full-time Lecturer, Faculty of Law, Aichi Gakuin University
April 1994	Assistant Professor, School of Commerce, Waseda University
April 1996	Associate Professor, School of Commerce, Waseda University
April 2001	Professor, School of Commerce, Waseda University and subsequently Professor, Faculty of Commerce Waseda University (current position)
March 2004	Visiting Researcher, Institute of Advanced Legal Studies, University of London
August 2007	Outside Director of the Company (retired in August 2008)

SEKINE Chikako

April 1972	Joined Shiseido Yamagata Sales Co., Ltd.
April 2006	General Manager, Osaka Branch of Shiseido Sales Co., Ltd. (currently Shiseido Japan Co., Ltd.)
April 2008	Seconded to Headquarters of d'ici là Co., Ltd. General Manager, Japan Marketing Headquarters of d'ici là Co., Ltd.
October 2009	General Manager, Beauty Consultation Planning Group, International Marketing Department, International Business Division of Shiseido Company, Limited
April 2012	Corporate Officer of Shiseido Company, Limited
April 2014	Corporate Executive Officer of Shiseido Company, Limited
January 2016	Corporate Advisor of Shiseido Company, Limited
April 2018	Representative Director of B-mind Corporation (current position)
August 2019	Outside Director of the Company (current position)
June 2021	Outside Director of TOLI Corporation (current position)

MATSUO Shinkichi

April 1991	Joined Mitsubishi Electric Corporation
March 1993	Joined Yokohama City Government
October 1995	Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
April 1999	Registered as a certified public accountant
July 2018	Representative Director of NextLeap Co., Ltd. (current position)
June 2019	Outside Audit & Supervisory Board Member of SEIKAGAKU CORPORATION (current position)
August 2019	Outside Corporate Auditor of the Company (current position)
June 2024	Outside Director (Audit & Supervisory Committee Member) of Hoosiers Holdings Co., Ltd. (current position)

TAKANO Daijiro

October 2005	Registered as an attorney-at-law
	Joined TMI Associates
August 2014	Masuda, Funai, Eifert & Mitchell, Ltd, Illinois, USA
October 2014	ARQIS Rechtsanwälte, Düsseldorf, Germany
March 2015	Admitted in the State of New York, USA
January 2017	Partner, TMI Associates (current position)
August 2021	Outside Corporate Auditor of the Company (current position)
September 2023	Outside Corporate Auditor, Place & Ability CO., LTD.(current position)