

June 3, 2024

Dear Shareholders,

On May 28, 2024, Institutional Shareholder Services, Inc. (“ISS”) published its analysis and recommendation regarding our upcoming 99th Ordinary General Meeting of Shareholders scheduled for June 26, 2024.

In response, we provide our opinion as follows:

**1. ISS’s view**

ISS recommends voting AGAINST proposal No. 3, which proposes the election of nominee Mr. Tsuguya Ieda as an Audit & Supervisory Board member, because the nominee fails to meet ISS criteria on independence.

**2. Our view on the recommendation against Mr. Ieda’s nomination**

ISS recommends voting AGAINST the election of nominee Mr. Tsuguya Ieda, because the nominee formerly worked at a main lender/bank and at a major business partner to the company. Our opinion on this issue is as follows:

Mr. Ieda left the Japan Bank for International Cooperation in July 2015, and 8 years and 11 months have passed since then. Since leaving the Bank, he has not in any way been involved in the execution of the Bank’s business or in its operations and has no special interests in the Bank. Therefore, we believe that a necessary and sufficient “cooling-off” period has passed to extinguish any relationship between him and the Bank. Further, there is no concern with the status of his independence from the perspective of minority shareholder interests. Mr. Ieda complies with the requirements for outside directors provided for in the Companies Act of Japan, the criteria for independence prescribed by the Tokyo Stock Exchange, and the criteria for independence prescribed by the company.

Therefore, we have appointed him as an Independent Statutory Auditor who does not have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and submitted notice of his appointment to the exchange.

If you have any questions or would like to arrange a call, please contact the Legal Dept. at +81-3-3436-7704 or via the following URL: <https://www.smm.co.jp/en/contact/>

Sincerely,

A handwritten signature in black ink, appearing to read 'Akira Nozaki', is written over a horizontal line.

Akira Nozaki

President and Director