December 15, 2025

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Notice Regarding the Board of Directors' Opinion on the Shareholder Proposal

As previously disclosed in the notice dated October 23, 2025, titled "Notice Regarding Request by Shareholders to Convene an Extraordinary General Meeting of Shareholders," Syuppin Co., Ltd. (the "Company") received a written request from one of its shareholders, TAKUMI CAPITAL MANAGEMENT MASTER FUND LP (hereinafter the "Proposing Shareholder"), regarding the convening of an Extraordinary General Meeting of Shareholders (the "Request"). The Company hereby announces that at the Board of Directors meeting held today, the Board resolved its opinion regarding the shareholder's proposal (the "Shareholder Proposal") to be submitted for consideration at the Extraordinary General Meeting of Shareholders scheduled to be held on January 22, 2026 (the "EGM") as described below.

As disclosed in the Company's press release dated November 25, 2025, titled "Notice of Extraordinary General Meeting, Agenda Determination, and Partial Articles Amendment," (the "November 25 Press Release"), the Company intends to submit to the EGM a proposal to partially amend the Articles of Incorporation and a proposal to elect one director (collectively, the "Company Proposals"). For details regarding the date, time, and venue of the EGM, as well as the content and rationale of the Company Proposals, please refer to the November 25 Press Release.

1. Content of the Shareholder Proposal

Election of three Outside Directors

The Shareholder Proposal seeks to elect the three individuals, Mr. Yuji Nishimura ("Mr. Nishimura"), Ms. Alicia Ogawa ("Ms. Ogawa,") and Mr. Tomoyuki Izumi ("Mr. Izumi"; together with Mr. Nishimura and Ms. Ogawa, the "Proposing Shareholder's Nominees") as the directors of the Company. For details and rationale of the Shareholder Proposal, please refer to the Company's notice dated October 23, 2025, titled "Notice Regarding Request by Shareholders to Convene an Extraordinary General Meeting of Shareholders."

2. The Board of Directors' Opinion on the Shareholder Proposal

The Company's Board of Directors opposes the Shareholder Proposal, for the following reasons:

(1) The composition of the management team, together with the director nominee to be proposed by the Company under the Company Proposals, is best positioned to maximize the Company's corporate value.

As announced in the Company's notice dated May 9, 2025, titled "Notice of Update Medium-Term Management Plan," the Company formulated a medium-term management plan (the "Medium-Term Management Plan") covering the fiscal years ending March 31, 2026 through March 31, 2028. Under the Mid-Term Management Plan, the Company set targets to expand net sales and operating profits and adopted management metrics with a focus on capital efficiency, and has been working to enhance its corporate value over the medium to long term.

In light of the fact that the current directors will come up for re-election at the Company's 21st Ordinary General Meeting of Shareholders scheduled for June 2026, and in order to ensure the steady and vigorous implementation of the Mid-Term Management Plan, the Company has been advancing discussions regarding the appropriate composition, role and functioning of the Board of Directors even before receiving the Shareholder Proposal with a view to further strengthening the Company's corporate governance.

Specifically, as one of the Company's management priorities for the fiscal year ending March 31, 2026, the Company began the selection of outside director candidates to be presented at the Company's 21st Ordinary General Meeting of Shareholders. In the course of that selection process, the Company identified Mr. Katsuya Nobuzane ("Mr. Nobuzane") as a leading candidate for outside director. In addition to possessing outstanding expertise in enhancing fundamental cash-flow generation through improvements to financial strategy, including business-portfolio optimization and capital allocation, Mr. Nobuzane has proven experience and a track record as an outside director of other listed companies. From late July through mid-September 2025, the Company conducted a series of interviews with Mr. Nobuzane, and exchanged views on the market environment and the Company's management challenges. As a result of those discussions, the Company approached Mr. Nobuzane regarding his potential appointment as an outside director. The Company believes that Mr. Nobuzane is an indispensable candidate who can provide valuable to the Board of Directors as it considers portfolio optimization and capital policy.

Furthermore, as another management priority for the fiscal year ending March 31, 2026, the Company has been considering, in order to more clearly define directors' management responsibilities and to establish a governance structure capable of responding promptly to changes in the operating environment, a proposed amendment to the Articles of Incorporation to change the director's term of office from the current two years to one year (the "AoI Amendment") to be submitted to the 21st Ordinary General Meeting of Shareholders to be held in June 2026.

On October 22, 2025, the Company established a non-compulsory Nomination Committee (the "Nomination Committee") comprised of the independent outside directors Messrs. Yuji Takigasaki and Shinichi Murata and Ms. Chisaki Kusajima, and Senior Managing Director, CFO, and CHRO Ms. Risa Okabe, with Mr. Yuji Takigasaki serving as Chairperson. The Nomination Committee was established to deliberate on the appointment or dismissal of directors of the Company and on the selection or removal of the Representative Directors and directors with specific responsibilities, and to submit its findings and recommendations to the Board of Directors. The Nomination Committee evaluated the knowledge, experience, and competence of outside director nominees from the perspective of whether they would be able to provide advice and recommendations to ensure the validity and adequacy of the Board of Directors' decision-making from an independent standpoint, while also taking diversity and skill sets into account.

Following the circumstances above, the Company had determined that the the AoI Amendment and the appointment of Mr. Nobuzane as an outside director in addition to the six incumbent directors, would constitute the optimal governance framework to achieve the targets set forth in the Medium-Term Management Plan and, ultimately, grow its business results and enhance medium to long-term corporate value, through the development of a business model focusing on its specialization in the camera, and writing materials businesses, as well as on e-commerce. The Company therefore planned to present the Company Proposals at its 21st Ordinary General Meeting of Shareholders scheduled for June 2026.

However, following the receipt of the Request from the Proposing Shareholder, the Nomination Committee re-examined measures to strengthen the Company's governance and concluded that, because the EGMs would be convened for the purpose of ascertaining shareholders' views on the Company's corporate governance, it was necessary to submit the Company Proposals on the occasion, in order to present the Company's preferred governance framework at an early stage. Accordingly, the Nomination Committee submitted its decision to the Board of Directors to that effect on November 25, 2025.

Furthermore, as described in (3) below, the Nomination Committee also held individual interviews with each of the Proposing Shareholder's Nominees and, after careful consideration of their suitability to serve as directors of the Company, determined that it is not necessary to appoint any of them.

The Proposing Shareholder's Nominees are management consultants or advisors to investment funds. While the Company assumes that the Shareholder Proposal intends to incorporate a capital market perspective into the Company's management, their skill sets of the Proposing Shareholder's Nominees substantially overlap with those of Mr. Nobuzane. For this reason, appointment of the Proposing Shareholder's Nominees as directors of the Company is redundant. Please refer to the table below for the skills matrix after adding Mr. Nobuzane's capabilities to those of the Company's six incumbent Directors.

Name	Position	Corporate management experience	Web marketing	IT security	DX promotion	Finance, accounting, and tax matters	Capital market	Sustainability/ SDGs	Legal and risk management	Internal control and governance	Human resources development
Naohiko Ono	President and Director	●	●		●		●	●			●
Masashi Saito	Executive Managing Director	●	●	●				●			●
Risa Okabe	Director	●			●	●	●	●	●	●	●
Shinichi Murata	Independent Outside Director	●							●	●	
Yuji Takigasaki	Independent Outside Director	●				●				●	●
Chisaki Kusajima	Independent Outside Director	●	●	●	●						●
Katsuya Nobuzane	Independent Outside Director	●				●	●				
Chikako Morizono	Full-time Auditor					●				●	
Naohito Endo	Independent Outside Auditor	●				●			●	●	●
[Keiko Yokoyama]	Independent Outside Auditor	●				●		●	●	●	●

In response to the above recommendation, the Company's Board of Directors resolved to submit the Company Proposals to the EGM. For details on the rationale for the Company Proposals, please refer to the November 25 Press Release.

(2) The Shareholder Proposal demonstrates an insufficient understanding of the Company's business operations, and therefore the asserted need for the Proposing Shareholder's Nominees is not justified.

The Company's corporate philosophy is "to create a marketplace where 'valuable new and used items' can be traded safely and securely via the internet, thereby contributing to society." In its business of selling and purchasing high-value new and used goods via e-commerce, the Company's status as a publicly listed company provides high reliability and a robust financial foundation, both of which are indispensable prerequisites for providing customers with a secure and safe trading environment. Building upon this solid trust, the Company has continued to meet customer expectations and has been leading the industry through the combination of a high level of expertise as a specialist retailer and cutting-edge technology.

Furthermore, the Company regards further improvement in capital efficiency and the enhancement of shareholder returns as key management priorities. As outlined in its Medium-Term Management Plan, the Company aims to continuously maintain ROE (Return on Equity) of 30% or higher while continuing to invest in merchandise inventory, AI utilization, system enhancements, and human resources. The Company has consistently implemented management practices mindful of capital costs and stock prices, striving to enhance corporate value over the medium to long term.

Under this policy, the Company takes pride in having maintained high capital efficiency while continuing to grow since its listing in December 2012. Specifically, its core business, the camera segment, has seen revenue increase by 349.2% since listing, achieving JPY 41.23 billion in sales for the financial year ending March 31, 2025, and securing approximately 9% and 23% in market share for new and used items respectively (for details, please refer to the Company's notice dated November 10, 2025, titled "Second Quarter Financial Results for the Fiscal Year Ending March 2026 and Progress of the Mid-Term Management Plan"). When measured against the performance of competitors, the Company's performance has been exponential, and the Company believes that it has achieved sufficient growth in the camera business.

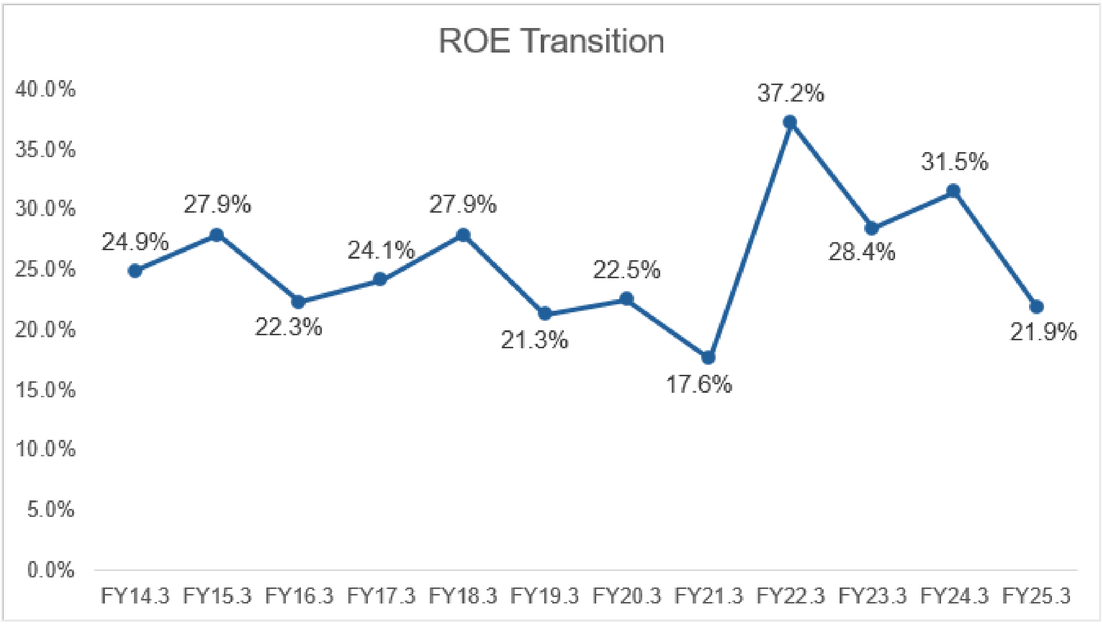
Sales for the Company's watch business have also increased by 258.7% and the Company's watch business has been generating consistent sales since the Company's listing, with the exception of the fiscal year ending March 31, 2023 when operating profit was impacted by global decline in the watch market, and the Company believes that the business has contributed to enhancing its corporate value. The Company believes that the global pre-owned luxury watch market is a growing market with an average annual growth rate of 9.0% through to 2026, driven by the advancement of e-commerce, expansion of the luxury watch market, and growth rate of the affluent class, each element amplifying the effect of the others. In addition, by leveraging the Company's unique sales strategies and expertise cultivated through our camera business, such as customer service leveraging AI and technology centered around e-commerce, and developing a differentiated watch sales business compared to existing pre-owned watch retailers, the Company believes that it can achieve medium to long term enhancement of its corporate value.

Furthermore, the expansion of the Company's watch business is expected to synergistically increase overall Company sales by raising the e-commerce ratio for high-value products targeting affluent consumers.

As a result of operating the Company's watch business, which involves the handling and sales of luxury watches that are even higher-value and delicate than cameras, the Company has succeeded in the generation of synergies with and positive impact on its other businesses, including the camera business, through: (i) enhanced security measures relating to product storage, transportation, and payment processes; (ii) expanded expertise and customer care in after-sales services such as maintenance and repairs; and (iii) company-wide improvement in the quality of services related to sales activities achieved by comprehensive employee training. These efforts have enabled the Company to gain an edge over its competitors. Moreover, due to the compact nature of the goods in the watch business, inventory management is highly efficient, and this also contributes to standardization of operations across business divisions, such as in the reduction of transportation costs. For the Company, the experience in handling luxury watches has significantly contributed to the evolution of the branding of its camera business, enabling it to transcend the traditional "camera shop" framework as a corporation in the camera business and establish "Map Camera" as a trusted and value-oriented brand retailer. As a result, the Company has begun to pursue the provision of high-quality services with much added value as a specialty store that offers an experience not limited to the simple sales and purchases of products. The Company believes that this has elevated the overall quality of the Company's camera business and has greatly contributed to enhancing its corporate value.

Considering the aforementioned watch business' synergic effect and contribution to the Company's businesses, the Company believes that its active capital investments for expansion of the watch business since the fiscal year ended March 31, 2021, and its continued operation of this business going forward, represent a rational management decision aimed at maintaining and enhancing the Company's medium to long term corporate value.

As a result of steady growth in the Company's core businesses of camera and watch, the Company has maintained a high ROE level. The Company's ROE trend from the fiscal year ending March 31, 2014 to the fiscal year ending March 31, 2025 is shown in the graph below.



On the other hand, the Proposing Shareholder contends that the capital efficiency of the Company's watch business has not reached a level acceptable for a listed company, and that, not withstanding this alleged shortfall, the Company has continued to make substantial capital investment in the law-efficiency watch business over the five-year period since the fiscal year ended March 31, 2021, thereby delaying enhancement of shareholder returns.

However, as stated above, the Company's watch business has consistently generated a certain level of profit, and therefore, the criteria for a capital efficiency "acceptable for a listed company" asserted by the Proposing Shareholder is unclear.

In recent years, the watch business has become increasingly susceptible to market trends and the impact of foreign exchange rates upon purchasing and selling. This is due not only to the nature of the products themselves as luxury items but also to an increase in customers trading them from speculative viewpoints. Furthermore, due to the high proportion of purchases of used goods that are high in value, flexible cash outflows based on economic and market conditions are required, and this may temporarily increase the inventory ratio on the balance sheet. However, by focusing primarily on trading in the e-commerce market without expanding to multiple physical stores, the Company has been able to minimize fixed costs such as those which would otherwise be required for physical stores and achieve efficient inventory investment without having to hold on to unnecessary stock. Therefore, judging the growth potential and significance of the watch business solely based on short-term performance or ROA is not appropriate.

Furthermore, in its Medium-Term Management Plan, the Company has established a basic policy expanding its dividend payout ratio to 40%-50% from the fiscal year ending March 31, 2026. As announced in the Company's notice dated May 9, 2025, titled "Notice Regarding Share Buyback and Cancellation of Treasury Stock" dated May 9, 2025, the Company has been appropriately considering and implementing policies regarding shareholder returns as a key management priority, including through acquisition of treasury stock targeting approximately JPY 1 billion, which is equivalent to the average free cash flow over the past three years (as announced in the Company's notice dated December 1, 2025, titled "Notice Regarding Results of Treasury Stock Acquisition, Completion of Acquisition, and Number of Shares to be Cancelled," the Company has implemented a treasury stock acquisition of approximately JPY 1 billion as of November 28, 2025, and has resolved to cancel all such shares effective December 30, 2025). The Company is therefore obliged to assert that the argument that it has been complacent in increasing shareholder returns is merely the unique view of the Proposing Shareholder.

The Proposing Shareholder asserts that the capital invested in the watch business should have been allocated to the further growth of the camera business; however, the Request includes no mention whatsoever of any specific utilization plan. Furthermore, as described in (3) below, the Company was unable to obtain specific answers regarding what measures the Company should have taken for the growth of the camera business, or the specific uses of capital, from Mr. Izumi (an individual who is simultaneously a director nominee in the Shareholder Proposal and the de facto controller of the Proposing Shareholder) during an Interview (Mr. Izumi) (defined in (3) below) held with him. Furthermore, during this Interview (Mr. Izumi), Mr. Izumi stated, "[the Company] should return the surplus cash to shareholders," and "instead of spending time on the watch business, [the Company] should focus on cameras," while also remarking that "it's difficult to find opportunities (to grow the camera business) every year, so cash tends to accumulate." and "I believe overseas investments should be made cautiously." Considering these statements, it can be inferred that the Shareholder Proposal was made with the intent to pursue the Proposing Shareholder's short-term interests by diverting capital that should be invested in the Company's watch business towards shareholder returns, under the guise of improving capital efficiency, and not actually to investments in the camera business. The Company believes that the Shareholder Proposal lacks any intention to pursue its medium to long term growth.

As described above, the Company views capital efficiency as a critical management priority and has been implementing various measures while maintaining a high level of ROE (Return on Equity). Therefore, it believes the criticism raised by the Proposing Shareholder—that "decision-making regarding capital allocation" are "lack awareness of the cost of capital"—is unfounded. Consequently, it has determined that the Shareholder Proposal requesting the election of the Proposing Shareholder's Nominees as Directors of the Company cannot be justified. The Company believes that, should they become involved in management decisions as directors, there is a risk that such Candidates may pursue the Proposing Shareholder's short-term interests, the result of which could cause the unique business model the Company has built upon through its status as a listed company to collapse, and undermine its corporate value.

(3) The Proposing Shareholder's Nominees are Not Appropriate as the Company's Directors

Based on deliberations by the Nomination Committee, the Company has determined that the Proposing Shareholder's Nominees are unqualified to serve as the Company's directors for the following reasons.

(a) Mr. Nishimura

The Nomination Committee conducted an interview with Mr. Nishimura on October 28, 2025 (the “Interview (Mr. Nishimura)”) to assess his suitability as a director of the Company, and submitted a written questionnaire for further inquiry, to which a written response was received (the “Response (Mr. Nishimura)”).

According to the Interview (Mr. Nishimura), the Response (Mr. Nishimura), and the Interview (Mr. Izumi), Mr. Nishimura has invested approximately JPY 400 million in the Proposing Shareholder and has no plans to request a return of this contribution in the future.

Considering the above fact, there is a structural conflict of interest between Mr. Nishimura and the Company. Should Mr. Nishimura be appointed to the Company’s Board of Directors, there is a substantial risk that he would prioritize the short-term interests of the Proposing Shareholder over the enhancement of the Company’s medium to long term corporate value and the collective interests of its shareholders.

(b) Ms. Ogawa

The Nomination Committee conducted an interview with Ms. Ogawa on October 28, 2025 (the “Interview (Ms. Ogawa)”) to assess her suitability as a director of the Company, and submitted a written questionnaire for further inquiry, to which a written response was received (the “Response (Ms. Ogawa)”).

Ms. Ogawa has no experience as an officer or director of a listed company in Japan. During the Interview (Ms. Ogawa), when asked how she could contribute to enhancing the Company’s corporate value if appointed as an outside director, Ms. Ogawa merely provided abstract impressions and expressions of interest regarding the Company, without offering any specific measures whatsoever. Ms. Ogawa’s statements strongly suggest a limited understanding of the Company’s business and indicate that it is unlikely she would be able to provide concrete proposals or advice regarding its operations when appointed as its director.

(c) Mr. Izumi

As stated in (2) above, the Nomination Committee submitted a written questionnaire to assess his suitability as a director of the Company, to which a written response was received (the “Response (Mr. Izumi)”), and thereafter conducted an interview on December 2, 2025 (the “Interview (Mr. Izumi)”) with him.

As Mr. Izumi is the “Founder and Portfolio Manager” of VIS Advisors, LP, the investment manager of the Proposing Shareholder, there is a significant risk that he will prioritize the short-term interests of the Proposing Shareholder over the enhancement of the Company’s medium to long term corporate value and the collective interests of shareholders. Furthermore, the risk of confidential information, including the Company’s trade secrets, being leaked to the Proposing Shareholder through him to be used in an inappropriate manner cannot be ruled out.

During this Interview (Mr. Izumi), Mr. Izumi initially stated that he had not requested the acquisition of the Company’s shares by another major shareholder. However, when the Nomination Committee pointed out that the said major shareholder claimed to have purchased the shares at his request, he abruptly changed his statement to: “I arranged for the sale (of the Company’s shares) to the major shareholder off-market (via a block trade).” While the intent behind Mr. Izumi’s changing statements remains unclear, it is evident that at the initial stage, he intended to conceal his relationship with this major shareholder.

Furthermore, when the attorney representing the Proposing Shareholder visited the Company on October 21, 2025 to submit the “Request for an Extraordinary General Meeting of Shareholders,” the attorney stated: “other major shareholders have been informed about this proposal and they have expressed their intention to approve” “the other major shareholders have been informed that [the Proposing Shareholder] is considering submitting this proposal, and a number of them has expressed support. I would not be here today in this manner otherwise.” These statements indicate that prior consultations were held with other shareholders and their support was secured before the submission of the Request. When the Company sought confirmation of the intent behind such expressions by the attorney from Mr. Izumi during the Interview (Mr. Izumi), he merely stated that “[the expressions] are misleading,” and made no explicit statement denying having held prior consultation with other major shareholders. If the Proposing Shareholder has discussed the Request with other major shareholders of the Company beforehand and submitted the Request with their approval, then, even if the Request is formally presented as an action by the Proposing Shareholder alone, it is substantively a joint proposal with those other major shareholders. It must then be concluded that there is a substantial possibility that an agreement exists for the joint exercise of the right to request a shareholders’ meeting, or at the very least, that an agreement was formed to jointly exercise voting rights in favor of the agenda of the Shareholder Proposal related to the Request.

Thus, given Mr. Izumi’s conduct of taking actions which may not be in strict compliance with the Financial Instruments and Exchange Act, and his attitude during questioning by the Nomination Committee where he changed his statements, circumvented clear denials, and consistently provided ambiguous explanations, it is only reasonable to assume that he would be unable to faithfully fulfill his fiduciary duty to the Company. Serious doubts must be expressed regarding whether he possesses an in-depth understanding of compliance required of an officer of a listed company. From this perspective, in addition to the preceding facts, the Company has determined that it is inappropriate to appoint Mr. Izumi as its director.

Based on the foregoing, the Board of Directors opposes the appointment of the three Proposing Shareholder’s Nominees in the Shareholder Proposal.

End