



March 11, 2026

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(Securities code: 2206; Tokyo Stock Exchange Prime Market)
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Board of Directors' Views on ISS Voting Recommendation Report

The Company has received shareholder proposals (hereinafter collectively referred to as the “Shareholder Proposals”) from LONGCHAMP SICAV (proxy: Dalton Investments, Inc.; hereinafter referred to as the “Proposing Shareholder”), a shareholder of the Company, to be submitted at the 121st Annual Shareholders Meeting scheduled to be held on March 24, 2026. As announced in the Company’s disclosure document dated February 13, 2026 entitled “Notice Concerning Receipt of Letter Regarding Exercise of the Right of Shareholders to Make Proposals and Opinion of the Board of Directors” (hereinafter referred to as the “February 13 Disclosure Document”), the Company’s Board of Directors has resolved to oppose all items of the Shareholder Proposals.

Under these circumstances, the Company had an opportunity to engage in dialogue with Institutional Shareholder Services Inc. (hereinafter referred to as “ISS”), a proxy advisory firm, and explained the content of the February 13 Disclosure Document. However, the Company has now confirmed that ISS has published a report recommending that shareholders vote FOR Shareholder Proposal Agenda Items No. 5, No. 6, and No. 7 (hereinafter referred to as the “Report”).

With respect to ISS’s FOR recommendations on Agenda Items No. 5, No. 6, and No. 7, ISS conducted its analysis based on its own assumptions, without giving sufficient consideration to the Company’s explanations. The Company is concerned that the Report may hinder shareholders from exercising their voting rights appropriately, from the perspectives of improving the Company’s medium- to long-term corporate value and ensuring the common interests of shareholders.

Accordingly, the Company sets forth its views on ISS’s FOR recommendations on Agenda Items No. 5, No. 6, and No. 7 below. The Company respectfully asks shareholders to review the Company’s views and exercise their voting rights accordingly.

Details

1. ISS Voting Recommendations

Shareholder Proposal Agenda Item

No. 5	Election of Two Directors	: FOR
No. 6	Acquisition of Treasury Stock	: FOR
No. 7	Approval of Amount of Remuneration for Restricted Stock Compensation Plan	: FOR
No. 8	Amendment to the Articles of Incorporation Pertaining to Actions Aimed at Realizing Management that is Conscious of Cost of Capital and Stock Price	: AGAINST

2. The Company’s Views on ISS’s FOR Recommendations

1) “Agenda Item No. 5: Election of Two Directors”

According to the Report, ISS recommends voting FOR this Shareholder Proposal on the basis that, considering the composition of the Company’s Board of Directors and the potential influence of the founding family over operational performance and capital allocation, the election of two shareholder-nominated candidates—who have experience as outside directors and are well versed in finance—is

expected to help address such concerns. In addition, the Report appears to note that the Company's Articles of Incorporation set the maximum number of directors at 11, and that a total of 10 director candidates are nominated under Agenda Item No. 1 and Agenda Item No. 5. On that basis, ISS recommends voting FOR, taking into account that, as a matter of form, shareholders may vote in favor of multiple candidates as long as the total number of directors to be elected remains within the cap.

As stated in the February 13 Disclosure Document, the Company has carefully examined the shareholder-nominated candidates through the Nomination and Compensation Committee, a majority of whose members are Outside Directors. As a result, the Company has determined that appointing such candidates is not appropriate from the perspectives of: (i) consistency with the Company's medium- to long-term management policy; (ii) potential conflicts of interest arising from relationships with particular shareholders; and (iii) the impact on the independence and overall balance of the Board of Directors' composition. The Company believes that the Board of Directors should function for the benefit of all shareholders, and that the appointment of directors who may represent the interests of a specific shareholder requires careful consideration.

In ISS's Japan proxy voting guidelines, while shareholder proposals such as these are to be assessed on a case-by-case basis, the general independence guidelines for Outside Directors indicate an approach that takes into account relationships between the Company and the relevant candidates. The guidelines also state that, for example, if a candidate has work experience at an organization that is a major shareholder of the Company, the candidate may be deemed not independent. In this case, the shareholder-nominated candidates are officers or employees of Dalton Investments, Inc., a major shareholder of the Company (holding 10.27% of the total number of shares outstanding). The Company believes that such relationships require careful consideration, including in light of ISS's independence criteria.

Furthermore, the Company places importance on the independence and overall balance of the Board of Directors' composition in order to ensure the effectiveness of the Board's oversight function. The Company's current Board includes three independent Outside Directors. If the shareholder-nominated candidates recommended by ISS were elected, the Board could consist of 10 directors, in which case the number of independent Outside Directors would be three (approximately 30%). Many institutional investors' proxy voting guidelines consider one-third or more to be a benchmark for the ratio of independent Outside Directors on the Board. Therefore, the Company believes that careful consideration is required on this point as well, from the perspectives of Board independence and the effectiveness of the Board's oversight function.

The Company explained to ISS, during opportunities for dialogue, the reasons the Company opposes the Shareholder Proposals, as well as the Company's mid-term management plan, capital policy, governance structure, and the Company's concerns regarding the independence of, and potential conflicts of interest involving, the shareholder-nominated candidates. However, ISS's FOR recommendation in the Report may not have sufficiently considered, in particular, the point that electing a person related to a major shareholder as an additional Outside Director could lead to conflicts of interest with general shareholders and a decrease in Board independence. Accordingly, the Company believes that ISS's recommendation may not necessarily be appropriate from the perspectives of improving medium- to long-term corporate value and ensuring the common interests of shareholders.

2) "Agenda Item No. 6: Acquisition of Treasury Stock"

According to the Report, ISS recommends voting FOR this Shareholder Proposal on the basis that granting such authority to the Board of Directors is unlikely to cause adverse effects to shareholders, and that voting on this agenda item could serve as a means to increase attention to capital efficiency.

As stated in the February 13 Disclosure Document, in the mid-term management plan (FY2025–FY2027) announced on February 13, 2025, the Company has set forth the goal of both accelerating growth investment mainly overseas and achieving stable and continuous shareholder returns. The Company has comprehensively designed its fund allocations among growth investment, ordinary investment, and shareholder returns. Specifically, using cash on hand and operating cash flow to be generated during the term of the mid-term management plan as sources of funds, the Company plans a balanced capital policy aimed at improving medium- to long-term corporate value and ensuring the common interests of shareholders by implementing: ordinary investment necessary for business continuity; medium- to long-term growth investment including overseas production capacity expansion; and shareholder returns with a dividend payout ratio of at least 45% as a basic policy.

In addition, taking into account the impact on performance of the recall of chocolate product in FY2025, as well as dialogue with institutional investors through the Company's IR/SR activities to date, the Company has decided—after careful consideration—to strengthen shareholder returns from the perspectives of executing its mid-term management plan going forward and improving capital efficiency. As announced in the "Notice Concerning the Determination of Matters Related to the Acquisition of Treasury Stock" disclosed on February 13, 2026, the Company has decided to implement share repurchases in FY2026 of up

to ¥25.0 billion, in addition to its original shareholder return plan.

However, ISS's FOR recommendation in the Report appears to have been made solely as a means to raise concerns regarding capital efficiency, and may not have sufficiently taken into account the fact that the Company has already decided to implement share repurchases of up to ¥25.0 billion in FY2026, as stated in the "Notice Concerning the Determination of Matters Related to the Acquisition of Treasury Stock" disclosed on February 13, 2026, or the impact on improving the Company's medium- to long-term corporate value and ensuring the common interests of shareholders. Accordingly, the Company believes that ISS's recommendation may not necessarily be appropriate.

3) "Agenda Item No. 7: Approval of Amount of Remuneration for Restricted Stock Compensation Plan"

According to the Report, ISS recommends voting FOR this Shareholder Proposal on the basis that it is highly likely to increase eligible Directors' and executive officers' awareness of share price performance and contribute to aligning their interests more closely with those of shareholders. In addition, the Report states that ISS treats disclosure related to performance conditions (such as the types of management indicators used for performance measurement) as sufficient disclosure for guideline application, even if such disclosure is not specific; and that, even without such conditions being established or disclosed, ISS supports restricted stock compensation plans where the restriction period is three years or more, or where shares become transferable after retirement if the recipient retires within three years.

With the aim of further sharing value with shareholders and sustainably enhancing the Company's corporate value over the medium to long term, the Company introduced a post-hoc grant restricted stock compensation plan (up to ¥150 million and up to 27,000 shares per year), based on the resolution of the 113th Annual Shareholders Meeting held on June 28, 2018, for Directors (excluding Outside Directors) and executive officers with whom the Company has entered into contracts of mandate.

In addition, with the aim of further promoting value sharing between eligible Directors, etc. and shareholders, the Company plans to submit, as a company proposal at the 121st Annual Shareholders Meeting scheduled to be held on March 24, 2026, "Revision of Amounts of Remuneration Related to the Restricted Stock Compensation Plan (Post-Hoc Grant) for Company Directors," to increase the annual amount of such post-hoc grant restricted stock compensation to up to ¥300 million. Under the current remuneration structure, when the maximum amount of stock-based compensation is granted, stock-based compensation accounts for approximately 50% of the total remuneration of the eligible Directors, etc.

Furthermore, the Company introduced a restricted stock compensation plan for Group employees from FY2024. The aim is to unify not only management but the entire Group toward realizing Glico's Purpose and enhancing corporate value, as well as to increase awareness of the share price and further promote value sharing with shareholders.

However, the Company believes that the FOR recommendation in the Report appears to have been made only on the basis of formal criteria—such as the eligible recipients, dilution level, and restriction period—without sufficiently reflecting the Company's current circumstances, and that an appropriate recommendation may not have been made.

The Company respectfully asks shareholders to understand the Company's views and to make a careful decision based on their fiduciary duties, taking into account the impact on the Company's medium- to long-term corporate value.

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