

Note: This document has been translated from 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.



1-1-32, Kami-minami, Hirano-ku, Osaka 547-0003, Japan

May 15, 2026

To Shareholders,

Company Name ICOM INCORPORATED  
Name of Representative Hiroshi Nakaoka, President  
(Securities code: 6820 Prime Market, Tokyo Stock Exchange)  
Contact Yoshiki Enomoto, Director  
(TEL 06-6793-5301)

**Notice Concerning Continuation of Countermeasures Against Large-Scale Purchases of the Company's Shares, etc. (Response Policy to Takeover)**

The Company resolved at the meeting of the Board of Directors held on May 13, 2020, to set forth the Basic Policy concerning the persons or companies who control decisions on the Company's financial and business policies (as stipulated in Article 118, item (iii) of the Ordinance for Enforcement of the Companies Act, hereinafter referred to as the "Basic Policy"). The Company also resolved to introduce countermeasures against Large-Scale Purchases of the Company's shares, etc. (response policy to takeover) as one of the efforts to prevent decisions on the Company's financial and business policies from being controlled by persons or companies regarded as inappropriate in light of the Basic Policy (as stipulated in (b) 2. of the same item). The Company obtained the approval of its shareholders at the FY56 Annual General Meeting held on June 24, 2020. Afterward, the Company received approval from its shareholders on the continuation of such response policy with partial amendments at the Annual General Meeting held in 2023 (the plan approved by its shareholders at the Company's FY59 Annual General Meeting held on June 27, 2023 is hereinafter referred to as the "Current Plan").

The effective period of the Current Plan is until the conclusion of the annual general meeting for the final fiscal year ending within three years after the conclusion of the Company's FY59 Annual General Meeting. However, the Company hereby announces that, at the Board Meeting (hereinafter referred to as the "Board Meeting") held today, after taking into consideration factors subsequent to the implementation of the Current Plan, such as revisions to laws and regulations and trends in discussions regarding response policies to takeover, it

confirmed that it would maintain the Basic Policy and resolved to continue the Current Plan after making necessary adjustments thereto (the revised plan hereinafter referred to as the “Plan”), as one of the efforts to prevent decisions on the Company’s financial and business policies from being controlled by inappropriate parties in light of the Basic Policy. In continuing the response policy to takeover under the Plan, the Company has made some revisions to the wording, etc., including clarification of intentions; however, the Plan does not result in any substantive change to the content of the Current Plan.

In addition, the Company hereby announces that, at the Board Meeting, it decided, with the unanimous approval of all attending Directors, including three Independent Outside Directors, to submit a proposal for approval of the continuation of the response policy to takeover under the Plan to the Company’s FY62 Annual General Meeting (hereinafter referred to as “this Annual General Meeting”) scheduled for June 24, 2026. The Board Meeting was attended by all Corporate Auditors, including two Independent Outside Corporate Auditors, and the attendees expressed their agreement with the continuation of the response policy to takeover under the Plan under the condition that the specific operation of the Plan be appropriately conducted. All current members of the Company’s Independent Panel (defined in III. 2. (1) e, below; the same shall apply hereinafter) have expressed their agreement with the continuation of the response policy to takeover.

The Plan will become effective subject to the approval of its shareholders in the above proposal for approval at this Annual General Meeting. The Current Plan will be revised to the Plan under that condition.

If there are any revisions of the Companies Act, the Financial Instruments and Exchange Act, other laws and regulations, rules related to them, cabinet orders, Cabinet Office orders, ministerial orders, and rules for the financial instruments exchange on which the Company’s shares, etc. are listed (hereinafter collectively referred to as “Laws and Regulations”) (including changes in the names of Laws and Regulations and enactment of new Laws and Regulations succeeding old ones, the same shall apply hereinafter), and these revisions come into effect, clauses of Laws and Regulations cited in the Plan shall be replaced by their counterparts in Laws and Regulations substantially succeeding them as so revised unless otherwise set forth by the Company’s Board of Directors.

**I. Basic Policy concerning the persons or companies who control decisions on the Company’s financial and business policies**

The Company, as a company whose shares are listed on a financial instruments exchange, respects the free trading of the Company’s shares in the market, and recognizes that even in the event of a Large-Scale Purchase, etc. of the Company’s shares by a specific party (defined

in III. 2, (1) [1] below; the same shall apply hereinafter), such purchase should not be rejected outright as long as such action contributes to the Group's corporate value and, in turn, the securing and enhancement of shareholders' common interests. In addition, the Company believes that whether to accept or reject a proposal for Large-Scale Purchase of the Company's shares should ultimately be decided by shareholders.

However, among proposals for Large-Scale Purchases of shares, there may be some that may harm the Group's corporate value and, in turn, the shareholders' common interests, such as those that may impair relationships with stakeholders, those that do not fully reflect the value of the Group, or those that do not provide shareholders with sufficient information necessary for them to make a final decision.

If that proposal is made, and there are concerns that the Large-Scale Purchase, etc. may prevent the enhancement of the Company's corporate value and the maximization of shareholders' common interests, where the source of the Company's corporate value may be impaired over the medium to long term, the Company's Board of Directors should deem the Large-Scale Purchaser (defined in III. 2, (1) [1] below; the same shall apply hereinafter) to be inappropriate as a person or company who controls decisions on the Company's financial and business policies and should, as part of their fiduciary duties, take reasonable measures to enhance the Company's corporate value and maximize common interests of its shareholders, as the case may be, to the extent permitted by Laws and Regulations and the Articles of Incorporation of the Company.

## **II. Special efforts to contribute to the realization of the Basic Policy**

### (1) Efforts to enhance the Company's corporate value

#### [1] Management philosophy of the Company

With the management philosophy of "A bright future and enjoyable technology created by communication," the Company is contributing to building a safe and prosperous society by providing advanced communication in various fields around the world. The Company will contribute to the rapidly developing information society through provision of products and solutions that meet customers' needs and expectations by making use of its accumulated wireless communication technologies and creativity to produce goods from scratch.

#### [2] History and business of the Company

Tokuzo Inoue, the founder of the Company, started the business by commercializing the manufacture of amateur radio equipment, which has been his hobby, in 1964. Since then, as a manufacturer, the Company has continued to supply amateur radio products to the market for over 60 years, from its beginnings as a small factory to the present day. Although the percentage of sales of the amateur radio category is down compared to the time of the Company's founding, new products continue to be launched every year, securing a strong position in the industry. Meanwhile, the Company has leveraged

the elemental technologies developed through its amateur radio business across a broader range of applications, expanding into the wireless communications equipment market that requires simultaneous broadcasts across a wide range of sectors worldwide, including marine, land mobile, and aviation applications. The Company's basic policy when entering a new market category of wireless equipment is to avoid mass markets where large companies compete and to pursue niches, basing the decisions on business continuity, rather than market size. Most recently, the Company entered the satellite wireless communication field using networks of Iridium<sup>®</sup> Communications Inc., and the intercom app field for smartphones.

[3] Sources of the Company's corporate value

The Company believes that the sources of its corporate value lie in the following.

(i) Technical and production capabilities in Japan

The Company has consistently chosen "Made in Japan" since its founding, and will continue to promote this policy. Its engineers, who account for more than 50% of its employees, develop elemental technologies, including for software and hardware. In addition, the Company plans, designs, and develops its own products and manufactures them at its own plants in Japan (at the Arida and Kinokawa Plants located in Wakayama Prefecture), possessing the know-how of efficiently producing a wide variety of products in small quantities. Thus, in-house design and in-house production enable the Company to maintain a high level of technologies and meet meticulous needs of customers.

(ii) Good relationships with customers, including domestic and foreign government agencies

The Company's simultaneous communication radios (IP radios) using cellular phone lines have become essential equipment for infrastructure operations. Additionally, the Company's Made-in-Japan quality and reliability as well as technical capabilities that cater to meticulous customer needs have enabled the Company to deliver equipment to Japanese national agencies that have a high entry barrier even for major competitors. Moreover, since 2006, the Company has been commissioned by Japanese administrative agencies to stockpile and lend mobile communications equipment for disaster responses, thus continuously providing social infrastructure services that are difficult to replace. Satellite wireless communications equipment has features, such as being able to communicate even if cellular phone base stations are disrupted by a major disaster. The Company's wireless communications equipment is in demand not only in Japan but from the United Nations (UN), the United Nations High Commissioner for Refugees (UNHCR), foreign governments, Japanese embassies and other parties as a means of emergency communications. In addition, private companies use the Company's products and services for their business continuity plan (BCP) measures.

(iii) Sound financial position

The Company maintains equity ratios for fiscal year ended March 31, 2026, 2025 and 2024 of 89.2%, 91.2% and 89.9%, respectively. As evidenced by its high equity ratios, the Company has a sound financial position.

[4] Measures to further maintain and strengthen the Company's corporate value

The Company formulated and announced its Medium-Term Management Plan 2026 for the fiscal year ended March 2024 through the fiscal year ended March 2026. In accordance with the Medium-Term Management Plan 2026, the Company has, as basic measures, worked to strengthen its core business, embark on new business models, and pursue sustainable strategies in order to become a company that lasts 100 years. The Company has been holding discussions to formulate its next medium-term management plan and plans to announce its next plan by the end of May 2026.

(2) Strengthen corporate governance

[1] Basic view on corporate governance

The Company improves management efficiency and transparency and ensures sound management by improving corporate governance in accordance with the Corporate Governance Code stipulated by the Tokyo Stock Exchange. The Company also strives to maintain and strengthen amicable and trusting relationships with its shareholders, business partners and other stakeholders such as local communities. Through these efforts, the Company will achieve its sustainable growth and the enhancement of its corporate value over the medium to long term.

[2] Outline of the corporate governance system and reasons for adopting the system

The Company is a company with a board of corporate auditors, and has established the Board of Directors and the Board of Corporate Auditors.

The Board of Directors meets, in principle, at least once a month for the purpose of making decisions on business execution. All Directors and Corporate Auditors are members of the Board of Directors, which is chaired by the President. The Board of Corporate Auditors meets, in principle, at least once a month for the purpose of reporting, discussing, and making decisions on important matters related to audits. All Corporate Auditors are members of the Board of Corporate Auditors, which is chaired by a standing Corporate Auditor.

Internal audits are conducted by the Audit Office, which is composed of the Manager and three (3) other members.

Three (3) Independent Outside Directors are appointed from six (6) Directors, and two (2) Independent Outside Corporate Auditors are appointed from three (3) Corporate Auditors, each maintaining a position independent of management. The Company adopts the system of a company with a board of corporate

auditors, as it believes that a system of monitoring and supervising the business execution of Directors is adequately secured through close collaboration among Corporate Auditors, the Accounting Auditor and the internal audit division (Audit Office).

In addition to the Board of Directors, a Management Committee has been established to share monthly sales conditions and other management information and discuss management issues, risks, etc. Officers including Corporate Auditors, Executive Officers, and key General Managers attend the Management Committee meetings, which are held, in principle, once a month.

[3] Other

In addition to the above, the Company works to strengthen its corporate governance in line with the latest Corporate Governance Code.

For details of the Company's corporate governance system, please refer to the Company's Corporate Governance Report ([https://www.icom.co.jp/uploads/corporate\\_governance.pdf](https://www.icom.co.jp/uploads/corporate_governance.pdf)).

**III. Efforts to prevent decisions on the Company's financial and business policies from being controlled by persons or companies regarded as inappropriate in light of the Basic Policy**

1. Objectives of continuation of response policy to takeover under the Plan

As described in I. above, the Company believes that it may be necessary to take some measures against a Large-Scale Purchaser, in some cases. However, as a listed company, the Company believes that the decision on whether or not to sell shares to a Large-Scale Purchaser or the final decision on whether or not to entrust the management of the Company to a Large-Scale Purchaser should basically be left to the judgment of individual shareholders.

However, the Company believes that in order to enable shareholders to make an appropriate decision, it is necessary for them, as a premise, to properly understand the Company's corporate value and the sources that generate such value after fully taking into account the unique business characteristics of the Company and history of the Company and the Group as described above. It is easily assumed that the information provided by a Large-Scale Purchaser may not be sufficient to understand how the acquisition of controlling shares of the Company by such a purchaser could affect the Company's corporate value and its sources. The Company, therefore, believes that its shareholders need to make an appropriate decision based on information provided by the Company's Board of Directors that fully understands its unique business characteristics, the Board's evaluation and views regarding the Large-Scale Purchaser's acquisition of controlling shares, and in some cases, new

proposals by the Company's Board of Directors.

Accordingly, the Company believes that it is extremely important to ensure sufficient time for its shareholders to analyze and consider such multifaceted information.

Based on the above standpoint, the Company has resolved, in light of the above Basic Policy, to continue the response policy to takeover under the Plan as one of the efforts to prevent decisions on the Company's financial and business policies from being controlled by inappropriate parties in light of the Basic Policy. The Plan requires a Large-Scale Purchaser to provide necessary information regarding the Large-Scale Purchase, etc. in advance, as well as to secure a period of time for consideration and negotiations. This enables shareholders of the Company to appropriately decide whether or not to accept the Large-Scale Purchase, etc.; enables the Company's Board of Directors to present to its shareholders its opinion for or against the Large-Scale Purchase, etc. or a business plan, etc. that is alternative to the acquisition proposal or business plan, etc. presented by the Large-Scale Purchaser (hereinafter referred to as the "Alternative Proposal") upon recommendation by the Independent Panel; and enables the Company's Board of Directors to negotiate with the Large-Scale Purchaser on behalf of shareholders. In deciding to continue the response policy to takeover under the Plan, the Company has taken into account discussions on response policies to takeover, such as the "Corporate Value Report," published on May 27, 2005, by the Corporate Value Study Group, a group set up under the Ministry of Economy, Trade and Industry (METI), the "Takeover Measures in Light of Recent Environmental Changes," published on June 30, 2008, by the same group, the "Guidelines for Corporate Takeovers - Enhancing Corporate Value and Securing Shareholders' Interests," released by METI on August 31, 2023, and "Principle 1-5. Anti-Takeover Measures" in the "Corporate Governance Code," which the Tokyo Stock Exchange introduced on June 1, 2015, and revised on June 1, 2018 and June 11, 2021, respectively. The Plan has been comprehensively reviewed, including transparency and its impact on the secondary market, etc., and as a result, the Company has reached the decision that it is the best option to continue the response policy to takeover under the Plan.

The status of the major shareholders of the Company as of March 31, 2026, is as listed in the "Status of the Company's Major Shareholders" shown in Appendix 1. As of the date of this notice, the Company has not received any proposals regarding a Large-Scale Purchase, etc. of the Company's shares.

As of March 31, 2026, Mr. Tokuzo Inoue, Gigapalace Inc., and the Icom Foundation, a public interest corporation (hereinafter referred to as the "Family Related Parties"), hold a total of 30.45% of the Company's shares as joint holders. The Family Related Parties have established an amicable relationship with the Company as stable shareholders of the

Company, and are not subject to the Plan at this time. Mr. Tokuzo Inoue serves as Chairman and Representative Director of the Company<sup>1</sup>; however, the Company's management is not controlled by the Family Related Parties as there are no other Family Related Parties serving as officers or employees of the Company than him. The Family Related Parties make individual decisions on the disposition of the Company's shares, etc. and the exercise of their voting rights, and there are no agreements or arrangements between the Company and the Family Related Parties regarding their continued holding of the Company's shares, etc. in the future. Therefore, the possibility cannot be denied that their ownership ratios may decrease as a result of transfers, inheritances, or other dispositions due to their circumstances, and the Company cannot guarantee that they will occupy a stable shareholder position in the future. Furthermore, the distribution of the Company's shareholders other than the Family Related Parties, is extensive, including individual shareholders. Given the above situation, there is always a possibility that Large-Scale Purchases, etc. may be conducted that do not contribute to the Group's corporate value or the securing and improvement of the common interests of its shareholders.

## 2. Details of the Plan

The Plan establishes rules with which persons or companies attempting to conduct a Large-Scale Purchase, etc. of the Company's shares, etc., must comply, as stated below. It also clarifies that such persons or companies may incur disadvantages as a result of the Company taking countermeasures in certain cases, and by appropriately disclosing this information, warns those attempting to conduct a Large-Scale Purchase, etc. of the Company's shares, etc. that do not contribute to the Company's corporate value and, in turn, the shareholders' common interests.

### (1) Procedures related to the Plan

#### [1] Applicable Large-Scale Purchases, etc.

The Plan shall apply to any purchase or attempted purchase of the Company's shares, etc., or any similar action that falls or may fall under any of (i) through (iii) below, excluding those approved by the Company's Board of Directors (hereinafter referred to as a "Large-Scale Purchase etc." or a "Large-Scale Purchase"). Persons or companies conducting or attempting to conduct a Large-Scale Purchase (hereinafter referred to as the "Large-Scale Purchaser") must follow the predetermined procedures of the Plan.

---

<sup>1</sup> Mr. Tokuzo Inoue plans to step down as Director and Representative Director of the Company at the conclusion of this Annual General Meeting.

- (i) Purchases or other acquisitions<sup>2</sup> that would result in an ownership ratio<sup>3</sup> of shares, etc.<sup>4</sup> of a specific holder of the Company amounting to 20% or more of the shares, etc., issued by the Company.
- (ii) Purchases or other acquisitions<sup>5</sup> of shares, etc. issued by the Company that would result in the total of the ownership ratio<sup>6</sup> of shares, etc.<sup>7</sup> of a specific holder of the Company and the ownership ratio of shares, etc. of its specially-related parties<sup>8</sup> amounting to 20% or more of such shares, etc.
- (iii) Regardless of whether or not each of the actions set forth in (i) or (ii) above took place, actions conducted by a specific shareholder of the Company with another shareholder of the Company (including cases where there are more than one other shareholder; the same shall apply hereinafter in this (iii)), that would lead to the establishment of an agreement or other actions resulting in the other shareholder becoming a joint holder of the specific shareholder or the establishment of a

---

<sup>2</sup> Includes having the right to request delivery of shares, etc. based on a sale and purchase or other agreements, and conducting each transaction provided for in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act.

<sup>3</sup> Refers to the “ownership ratio of share certificates, etc.” provided for in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter, unless otherwise specified. For calculating such ownership ratio of shares, etc., (a) specially-related parties defined in Article 27-2, Paragraph 7 of the Act, (b) investment banks, securities firms and other financial institutions that have entered into financial advisory agreements with such specific shareholder, tender offer agents and lead managing brokers of such specific shareholder (hereinafter referred to as the “Contracted Financial Institutions, etc.”), attorneys, accountants, and other advisors; and (c) any person who has received the Company’s shares, etc. from persons falling under (a) or (b) above through off-market negotiated transactions or through off-auction trading on the Tokyo Stock Exchange (ToSTNeT-1), shall be deemed to be joint holders (as defined in Article 27-23, Paragraph 5 of the Act, including those that are deemed to be joint holders by the Company’s Board of Directors in accordance with Paragraph 6 of the said Article. The same shall apply hereinafter) of such specific shareholder under the Plan. In addition, for calculating such ownership ratio of shares, the total number of shares issued of the Company may refer to the most recent information published by the Company.

<sup>4</sup> Refers to “share certificates, etc.” provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter, unless otherwise specified.

<sup>5</sup> Includes purchases and other acquisitions for value and those similar to acquisitions for value provided for in Article 6, Paragraph 3 of the Order for Enforcement of the Financial Instruments and Exchange Act.

<sup>6</sup> Refers to the “ownership ratio of share certificates, etc.,” provided for in Article 27-2, Paragraph 8 of the Act. The same shall apply hereinafter, unless otherwise specified. For calculating such ownership ratio of shares, etc., the total number of voting rights of the Company may refer to the most recent information published by the Company.

<sup>7</sup> Refers to “share certificates, etc.” provided for in Article 27-2, Paragraph 1 of the Act. The same shall apply hereinafter in (ii).

<sup>8</sup> Refers to specially-related parties defined in Article 27-2, Paragraph 7 of the Act. However, with respect to persons listed in item (1) of the said Paragraph, persons provided for in Article 3, Paragraph 2 of Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates, etc. Person Other Than Issuers are excluded. (i) Joint holders and (ii) the Contracted Financial Institutions, etc. shall be deemed to be specially related parties of the specific shareholder under the Plan. The same shall apply hereinafter, unless otherwise specified.

relationship<sup>9</sup> between the specific shareholder and the other shareholder in which one party substantially controls the other party or in which they act jointly or in concert<sup>10</sup> (provided however, only in cases where the total of ownership ratios of shares, etc. of the specific shareholder and the other shareholder would amount to 20% or more of the shares, etc. issued by the Company).

[2] Prior submission of a letter of intent to the Company

Prior to conducting the Large-Scale Purchase, the Large-Scale Purchaser shall submit to the Company's Board of Directors a set of documents prepared in Japanese, in the form prescribed by the Company, including a commitment letter to the effect that the Large-Scale Purchaser shall comply with the procedures set forth in the Plan in conducting the Large-Scale Purchase (hereinafter referred to as the "Letter of Intent"). Specifically, the Letter of Intent shall contain the following, and if the Large-Scale Purchaser is a corporation or other legal entity, the representative of the Large-Scale Purchaser needs to sign or affix his/her name and seal to the letter, together with a certificate of qualification of the representative who has signed or affixed his/her name and seal, the Large-Scale Purchaser's articles of incorporation, a certificate of all historical matters (or their equivalent), and balance sheets and statements of income on a non-consolidated and consolidated basis for the last five fiscal years.

(i) Summary of the Large-Scale Purchaser

(a) Name or corporate name and address or location

(b) If the Large-Scale Purchaser is a corporation or other legal entity, the names and careers of the last ten years of its representative, directors (or equivalent positions; the same shall apply hereinafter), and corporate auditors (or equivalent positions; the same shall apply hereinafter.).

(c) If the Large-Scale Purchaser is a corporation or other legal entity, its purpose and business description

---

<sup>9</sup> Whether or not a "relationship in which the specific shareholder substantially controls the other shareholder or they act jointly or in concert" has been established shall be determined based on investment relationship, business alliance relationship, transaction or contractual relationship, concurrent directorships, funding relationship, credit-granting relationship, the status of stakebuilding on the Company's shares, etc., the status of exercise of voting rights pertaining to the Company's shares, etc., the formation of substantial interests, etc. related to the shares, etc. of the Company through derivatives or share lending, etc., and direct or indirect impacts, etc. of the specific shareholder and the other shareholder on the Company.

<sup>10</sup> Whether or not the acts specified in (iii) above have occurred shall be determined by the Company's Board of Directors in a reasonable manner, based on the recommendation of the Independent Panel. The Company's Board of Directors may require its shareholders to provide necessary information to the extent required to determine whether the shareholders fall under the conditions stated in (iii) above.

- (d) If the Large-Scale Purchaser is a corporation or other legal entity, summaries of its direct or indirect major shareholders or major investors (top 10 shareholders or investors in terms of shareholding ratio or investment ratio) and ultimate beneficial controlling shareholders (investors)
- (e) Domestic contact information
- (f) If the Large-Scale Purchaser is a corporation or other legal entity, the governing law of incorporation
- (g) Names, head office locations, and business description of major investees, as well as ratios of shareholdings or investment in such investees
- (ii) Number of the Company's shares, etc., currently held by the Large-Scale Purchaser, and transaction status of the Company's shares, etc. by the Large-Scale Purchaser for the 60 days prior to the submission of the Letter of Intent
- (iii) Summary of the Large-Scale Purchase, proposed by the Large-Scale Purchaser (including the class and number of the Company's shares, etc. that the Large-Scale Purchaser plans to acquire through the Large-Scale Purchase, and purpose of the Large-Scale Purchase (such as acquisition of the controlling interest or participation in management, pure investment or strategic investment, transfers, etc. of the Company's shares, etc. to a third party after the Large-Scale Purchase, or if there is any other purpose, such as a material proposal<sup>11</sup>, a statement to the effect and details thereof. If there are multiple purposes, all of them shall be listed))

### [3] Provision of the required information

If the Letter of Intent in [2] above was submitted, the Large-Scale Purchaser shall follow the procedures below to provide to the Company necessary and sufficient information (hereinafter referred to as the "Required Information") in Japanese for shareholders and investors to make a decision on the Large-Scale Purchase as well as for the Company's Board of Directors to make evaluation, examination, etc. on the Large-Scale Purchase Upon receipt of the Required Information, the Company's Board of Directors will immediately provide it to the Independent Panel.

Firstly, within 10 business days<sup>12</sup>, (not including the first day) of the submission of the Letter of Intent, the Company will send a list of required information to be initially

---

<sup>11</sup> Refers to a material proposal provided for in Article 27-26, Paragraph 1 of the Act, Article 14-8-2, Paragraph 1, of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates, etc. The same shall apply hereinafter.

<sup>12</sup> "Business day" refers to a day other than those listed in each item of Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs. The same shall apply hereinafter.

submitted by the Large-Scale Purchaser at the address in Japan stated [2] (i) (e) above. The Large-Scale Purchaser shall submit sufficient information to the Company in accordance with the list of information.

If the Company's Board of Directors reasonably judges that, in light of the detail and nature, etc. of the Large-Scale Purchase, the information provided by the Large-Scale Purchaser in accordance with the list of information is insufficient for shareholders and investors to make a decision as well as for the Company's Board of Directors to perform evaluation, examination, etc., the Large-Scale Purchaser shall submit additional information required separately by the Company's Board of Directors by a deadline specified as necessary. (To make such a decision, the opinions of the Independent Panel will be respected to the maximum extent). The Company's Board of Directors may require the additional submission of the Required Information repeatedly until the Required Information is deemed to have been fully provided by the Company's Board of Directors; however, the final deadline shall not exceed 60 days from the day the Large-Scale Purchaser received the list of information, even if the Company's Board of Directors does not deem that the Required Information has been fully provided. (the deadline may, however, be extended to the extent necessary if requested by the Large-Scale Purchaser; hereinafter referred to as the "Required Information Provision Period.").

Regardless of the details and nature, etc. of the Large-Scale Purchase, information about each of the following items shall, in principle, be included as part of the list of information.

- (i) Detailed information about the Large-Scale Purchaser and its group (including major shareholders or investors, whether direct or indirect; the same shall apply hereinafter), significant subsidiaries and affiliates, joint holders, and specially related parties; and, in the case of funds or investment vehicles, (whether established under Japanese or foreign law and regardless of legal form; hereinafter referred to as "Funds, etc.," or where there are Funds, etc. substantially controlled or managed by the Large-Scale Purchaser, each partner, investor or other constituent member thereof and any person who continuously provides investment advice; the same shall apply hereinafter), including their history, specific names, capital structure, investment ratios, business description, financial condition, investment policies, investment and financing activities over the past 10 years, whether they fall under the category of "foreign investor" as defined in Article 26, Paragraph 1 of the Foreign Exchange and Foreign Trade Act and the basis for such determination, any violations of Laws and Regulations

within the past 10 years (and summaries thereof, if any), experience in businesses similar to those of the Company and its Group and potential future competition, and the names of officers, their career histories, and any past violations of Laws and Regulations by such officers within the past 10 years (and summaries thereof, if any).

- (ii) Specific details of the internal control system of the Large-Scale Purchaser and its group (including the group internal control system), and whether or not such system is effective, and the status thereof.
- (iii) The purposes (details of the purposes disclosed in the Letter of Intent. In the case of the acquisition of the controlling interest or participation in management, pure investment or strategic investment, transfers of the Company's shares, etc. to a third party after the Large-Scale Purchase, or if there is any other purpose, such as a material proposal, a statement to the effect and details thereof. If there are multiple purposes, all of them shall be listed), the method and details of the Large-Scale Purchase (including whether it intends to participate in management or not, the class and quantity of the Company's shares, etc. to be acquired in the Large-Scale Purchase, the type and value of consideration of the Large-Scale Purchase, timing of the Large-Scale Purchase, scheme of related transactions, the quantity of shares, etc. planned to be purchased and the ownership ratio of shares, etc., after the Large-Scale Purchase, legality of the method of the Large-Scale Purchase, feasibility of the Large-Scale Purchase and related transactions (if the Large-Scale Purchase is subject to certain conditions, the details of such conditions), policy for holding the Company's shares, etc. after the completion of the Large-Scale Purchase and if there is a possibility that the Company's shares, etc. will be delisted after the Large-Scale Purchase, a statement to that effect and the reason for such delisting. Regarding the legality of the method for the Large-Scale Purchase, a written opinion by a qualified lawyer shall also be submitted.).
- (iv) The basis for and process of the calculation of consideration for the Large-Scale Purchase (including underlying facts, assumptions, the method, and numerical information used in the calculation, details of synergies and dissynergies expected as a result of the series of transactions related to the Large-Scale Purchase and their grounds, and in cases where an opinion was obtained from a third party at the time of the calculation, the name and information of the third party, a summary of such opinion and circumstances leading to the determination of value based on such opinion).
- (v) Proof of the source of funds for the Large-Scale Purchase (including the specific

names of providers of funds (including substantial providers (whether direct or indirect)), method of raising the funds, whether or not there are conditions for the funding to be executed and the details of such conditions, if any, existence of any collateral or covenants after the provision of funds, and the details thereof, if any, and specific details of related transactions).

- (vi) Whether or not there is communication of intent with third parties when conducting the Large-Scale Purchase (including communication of intent with respect to making a material proposal, etc. to the Company; the same shall apply hereinafter) and the specific form and details of the communication and a summary of the third party, if any.
- (vii) Ownership status of the Company's shares, etc., ownership and contractual status of derivatives and other similar financial instruments whose underlying assets are shares, etc. of the Company or assets related to the business of the Company and the Group, and the status of share lending and borrowing, and short selling, etc. of shares, etc. of the Company by the Large-Scale Purchaser and its group.
- (viii) If there are any loan agreements, security agreements, sell-back agreements, sale and purchase contracts, and other material agreements or arrangements relating to the Company's shares, etc. already held by the Large-Scale Purchaser and its group (hereinafter referred to as "Security Agreements, etc."), specific details of the Security Agreements, etc., including the contract type, counterparty and quantity of shares, etc. under the Security Agreements, etc.
- (ix) If the Large-Scale Purchaser plans to enter into Security Agreements, etc., or other agreements with third parties with respect to the Company's shares, etc. to be purchased by the Large-Scale Purchaser through the Large-Scale Purchase, specific details of such agreements, including the type of the agreements to be entered into, and counterparty and quantity of shares, etc. under such agreements.
- (x) Management policies for the Company and its Group, details of the career and other information of candidate officers to be dispatched after completion of the Large-Scale Purchase (including information regarding knowledge and experience in the same type of business as that of the Company and its Group), business plans, financial plans, capital plans, investment plans, capital policies, dividend policies, and asset utilization policies, etc. (including plans to sell, pledge as collateral, or otherwise dispose of the assets of the Company and its Group after completion of the Large-Scale Purchase)
- (xi) Policies on the treatment of officers, employees, labor unions, business partners, customers, local public entities in which the Company's facilities are located, and

- other stakeholders of the Company and its Group after the Large-Scale Purchase.
- (xii) Specific measures to avoid any conflict of interest between the Large-Scale Purchaser and the other shareholders of the Company.
  - (xiii) Regulatory matters under the Foreign Exchange and Trade Act and other domestic and foreign Laws and Regulations that may be applicable to the Large-Scale Purchase and possibility of obtaining approval or authorization, etc. required to be obtained from domestic and foreign governments or a third party in accordance with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Foreign Exchange and Trade Act and other Laws and Regulations. (A written opinion by a qualified attorney on these matters shall also be submitted.)
  - (xiv) The ability to maintain licenses and permits under domestic and foreign Laws and Regulations necessary for the management of the Company and its Group after the Large-Scale Purchase, and the ability to comply with domestic and foreign Laws and Regulations.
  - (xv) Whether or not there is a relationship with antisocial forces or terrorist organizations (whether direct or indirect) and, if so, the details of such relationship.

In accordance with applicable Laws and Regulations, the Company's Board of Directors shall appropriately disclose the fact that a Large-Scale Purchase has been proposed by the Large-Scale Purchaser. A summary of the proposal, a summary of the Required Information, and any other information deemed necessary for shareholders and investors to make a decision, if any, shall be promptly disclosed.

Furthermore, if the Company's Board of Directors or the Independent Panel deems that the provision of the Required Information has been completed by the Large-Scale Purchaser, (even if some of the requested information has not been submitted, the Company may deem that provision of the Required Information has been completed, if the Company determines that a reasonable explanation has been provided for the non-submission of the information), or, if the Required Information Provision Period has expired, the Company shall promptly disclose such fact in accordance with applicable Laws and Regulations. As described in [4] below, the Board Evaluation Period (defined in [4] below) shall start from the day after the date of such disclosure.

[4] Setting the Board Evaluation Period, etc.

The Company's Board of Directors shall set either of the periods set forth in (i) or (ii) below (in both cases, the period shall start on the day immediately after the day when

the Company discloses that the Company's Board of Directors or the Independent Panel has determined that the provision of the Required Information has been completed, or that the Required Information Provision Period has expired), depending on how difficult it is to evaluate the Large-Scale Purchase, as the period for the Company's Board of Directors to evaluate, examine, negotiate, form opinions, and formulate an Alternative Proposal (hereinafter referred to as the "Board Evaluation Period"), and promptly disclose it in accordance with applicable Laws and Regulations. Unless otherwise stated in the Plan, the Large-Scale Purchase should be initiated only after the expiration of the Board Evaluation Period.

(i) Up to 60 days in the case of a tender offer for all of the Company's shares, etc. in exchange only for cash (yen).

(ii) Up to 90 days in the case of other Large-Scale Purchases, etc.

However, in both (i) and (ii) above, the Board Evaluation Period may be extended (up to 30 days) only when the Company's Board of Directors deems that there is a reasonable necessity for such extension. In that case, the Company shall notify the Large-Scale Purchaser of a period of extension and specific reasons why that extension is necessary, and disclose such information to its shareholders and investors in accordance with applicable Laws and Regulations.

During the Board Evaluation Period, the Company's Board of Directors shall fully evaluate and examine the Required Information provided by the Large-Scale Purchaser, while receiving advice from outside experts (including investment banks, securities firms, financial advisors, certified public accountants, attorneys, consultants and other specialists; the same shall apply hereinafter) as necessary and review and assess the details of the Large-Scale Purchase by the Large-Scale Purchaser from the perspective of securing and improving the Company's corporate value and the shareholders' common interests. Through such examinations, etc., the Company's Board of Directors shall carefully compile its opinion on the Large-Scale Purchase, and notify the Large-Scale Purchaser thereof and disclose them to its shareholders and investors in a timely and appropriate manner in accordance with applicable Laws and Regulations.

In addition, the Company's Board of Directors may negotiate with the Large-Scale Purchaser the conditions and methods related to the Large-Scale Purchase as necessary, and furthermore, may present an Alternative Proposal to its shareholders and investors.

[5] Recommendation of the Independent Panel on invocation of countermeasures

To eliminate arbitrary decisions by the Company's Board of Directors and to ensure objectivity and reasonableness of decisions and responses made by the Company's Board of Directors when invoking countermeasures, the Company, under the Plan, has established an independent panel (hereinafter referred to as the "Independent Panel,") which consists only of Outside Directors, Outside Corporate Auditors of the Company, or outside experts (corporate managers with proven track records, persons from government offices, attorneys, certified public accountants, or academic experts, or their equivalents) who are independent of the Company's management team, which engages in business execution of the Company. The Independent Panel will remain in place under the Plan. An "Outline of the Rules of the Independent Panel" is provided in Appendix 2, and the biographies of the Independent Panel members at the time of revision of the Current Plan into the Plan are provided in Appendix 3, "Names and Career Summary of the Independent Panel Members (listed in Japanese syllabary order)." The appointment, dismissal, replacement, etc. of Independent Panel members after the continuation of the response policy to takeover under the Plan becoming effective shall be determined by the Company's Board of Directors upon the consent of all Independent Panel members other than the Independent Panel members to be appointed, dismissed, replaced, etc.

During the Board Evaluation Period, the Independent Panel shall make a recommendation to the Company's Board of Directors in accordance with the following procedures on whether or not to invoke the countermeasures, in parallel with procedures taken by the Company's Board of Directors to evaluate, examine, negotiate, form opinions, and formulate an Alternative Proposal as described in [4] above. In making that recommendation, to ensure that the Independent Panel makes decisions in a manner that ensures and enhances the Company's corporate value and the shareholders' common interests, the Independent Panel may obtain at the Company's expense, advice of external experts who are independent of the management team that engages in the business execution of the Company. If the Independent Panel makes a recommendation to the Company's Board of Directors as set forth in (i) or (ii) below, the Company's Board of Directors shall promptly disclose the fact and outline of such recommendation and any other matters that the Company's Board of Directors deems appropriate in accordance with applicable Laws and Regulations.

- (i) If the Large-Scale Purchaser does not comply with the procedures set forth in the

## Plan

If the Large-Scale Purchaser violates in any material respect for the procedures set forth in the Plan and such violation is not corrected within five business days (not including the first day) after the Company's Board of Directors has requested the Large-Scale Purchaser to correct it in writing, the Independent Panel, in principle, will recommend that the Company's Board of Directors invoke the countermeasures, except in cases where it is obvious that it is necessary not to invoke such countermeasures for the purpose of securing and enhancing Company's corporate value and the shareholders' common interests or where there are other special circumstances. If that recommendation is made, the Company will disclose the opinion of the Independent Panel, the reasons for its opinion, and any other information deemed appropriate in a timely and appropriate manner in accordance with applicable Laws and Regulations and the rules of financial instruments exchanges.

Even after recommending the invocation of countermeasures to the Company's Board of Directors, the Independent Panel may make a recommendation to the Company's Board of Directors to cancel countermeasures, suspend its invocation, or make other recommendations, if the Large-Scale Purchase is withdrawn or any change occurs in the facts and circumstances on which the decision on such recommendation was premised. If that revised recommendation is made, the Company will also disclose the opinion of the Independent Panel, the reasons for its opinion, and any other information deemed appropriate in a timely and appropriate manner in accordance with applicable Laws and Regulations and the rules of financial instruments exchanges.

(ii) If the Large-Scale Purchaser complies with the procedures set forth in the Plan

If the Large-Scale Purchaser complies with the procedures set forth in the Plan, the Independent Panel, in principle, will recommend that the Company's Board of Directors not invoke the countermeasures.

However, even if the procedures set forth in the Plan are complied with, if it is concluded that such purchase would significantly damage the Company's corporate value and the shareholders' common interests, for example, due to reasons listed in (a) to (k) below, and that invocation of the countermeasures is deemed reasonable, the Independent Panel may recommend that the Board of Directors invoke such countermeasures as an exceptional measure.

(a) The Large-Scale Purchaser is deemed to be a person who is acquiring or is

attempting to acquire the Company's shares, etc. for the purpose of merely increasing the share price and having the Company or people related to the Company repurchase those shares, etc. at a high price, despite not truly having any intention to participate in the management of the Company (so-called greenmailer); or if it is judged that the Large-Scale Purchaser is acquiring the Company's shares, etc. mainly for earning a short-term profit margin.

- (b) If the Large-Scale Purchaser is deemed to be acquiring the Company's shares, etc. for transferring assets of the Company or its Group companies, including intellectual property rights, know-how, confidential corporate information, main business partners or customers, etc. that are necessary for the business management of the Company or its Group companies, to the Large-Scale Purchaser or its group companies, etc. by temporarily controlling the management of the Company.
- (c) The Large-Scale Purchaser is deemed to be acquiring the Company's shares, etc. for the purpose of diverting the assets of the Company or Group companies as collateral or funds for repayment of the debts of the Large-Scale Purchaser or its group companies after controlling the Company's management.
- (d) If the Large-Scale Purchaser is deemed to be acquiring the Company's shares, etc. for the purpose of temporarily controlling the management of the Company to sell or otherwise dispose of high value assets such as real estate and securities currently not related to the businesses of the Company and its Group companies, using the profits from such disposal to pay a temporary high dividend, or for the purpose of using the opportunity of the sudden rise in share value resulting from the temporary high dividend to sell off the Company's shares, etc. at a high price.
- (e) It is judged that the Large-Scale Purchaser, after acquiring the Company's shares, etc., merely seeks to gain profits from the sale of the Company's shares, etc. by reselling them to the Company itself or a third party in the short to medium term by employing various measures, solely pursuing its own interests with a view to ultimately disposing of the Company's assets without showing any particular interest or involvement in the management of the Company.
- (f) It is judged that the method of purchase of the Company's shares, etc. proposed by the Large-Scale Purchaser threatens to restrict the opportunity or freedom of the shareholders of the Company to make a decision, and effectively force them to dispose of the Company's shares, etc. (so-called coercion), such as coercive two-tier takeover (meaning acquisition of shares, including a tender

offer that does not offer to acquire all shares in the initial acquisition, and sets unfavorable acquisition terms or does not set clear terms in the second tier).

- (g) It is judged that the purchase terms for the Company's shares, etc. proposed by the Large-Scale Purchaser are grossly insufficient or inappropriate in view of the Company's intrinsic corporate value (including, but not limited to the type and value of purchase consideration, basis of calculation of such value, specific details of other conditions (including the timing and method of the acquisition), and the legality and the feasibility of the purchase).
- (h) It is judged that the Large-Scale Purchaser acquiring control over the Company may significantly hinder the securing or enhancement of the Company's corporate value and the shareholders' common interests as it is expected that relationships with customers and other stakeholders who are the sources of the Company's corporate value, not to mention its shareholders, will be destroyed, causing significant damage to the Company's corporate value or the shareholders' common interests.
- (i) It is judged that the Company's corporate value in the case the Large-Scale Purchaser acquires control of the Company will be significantly inferior to that in the case the Large-Scale Purchaser does not acquire control when compared to the Company's medium- to long-term corporate value in the future currently expected.
- (j) The Large-Scale Purchaser is judged to be grossly unsuitable as a controlling shareholder of the Company from the perspective of public order and morals, including the case where the management team or major shareholders or investors of the Large-Scale Purchaser include persons who have relationships with antisocial forces or terrorist organizations.
- (k) In other cases similar to (a) through (j) above, where it is judged that the Company's corporate value and the shareholders' common interests will be significantly damaged.

[6] Resolution of the Board of Directors

The Company's Board of Directors shall give the utmost consideration to the recommendation of the Independent Panel set forth in [5] above, and based on such recommendation, promptly pass a resolution on invoking or not the countermeasures and make other necessary resolutions from the perspective of securing and improving the Company's corporate value and the shareholders' common interests. Even in the case that the Independent Panel recommends a resolution not to invoke the

countermeasures, if the Company's Board of Directors, while paying utmost respect to the recommendation of the Independent Panel, finds that complying with such recommendation will lead to circumstances such as possible violation of Directors' duty of due care of a prudent manager, it may pass a resolution for invoking the countermeasures or instead of passing a resolution not to invoke the countermeasures, may convene a General Meeting of Shareholders in the manner described in [7] below to confirm the intent of its shareholders as to whether or not to invoke the countermeasures or the details thereof (hereinafter referred to as the "Shareholders' Intent Confirmation Meeting").

Furthermore, even after the Company's Board of Directors' resolution for invoking the countermeasures has been passed or such countermeasures have been invoked, the Company's Board of Directors shall pass a resolution to suspend the invocation of countermeasures in the event that (i) the Large-Scale Purchaser withdraws the Large-Scale Purchase or (ii) changes arise in the actual facts that formed the basis of the decision on whether or not to invoke the countermeasures and invoking such countermeasures is not considered reasonable from the perspective of securing and improving the Company's corporate value and the shareholders' common interests.

In the event that the Company's Board of Directors passes a resolution as stated above, it shall promptly disclose a summary of such resolution, including the Company's Board of Directors' evaluation, judgment and opinion on whether or not the countermeasures need to be invoked, and any other matters that the Company's Board of Directors deems appropriate, in accordance with applicable Laws and Regulations.

#### [7] Convocation of a Shareholders' Intent Confirmation Meeting

In the event that the Large-Scale Purchaser does not comply with the procedures set forth in the Plan, and if the Company's Board of Directors determines that a Shareholders' Intent Confirmation Meeting should be held to confirm the intent of its shareholders as to whether or not to invoke the countermeasures under the Plan, the Company's Board of Directors shall convene the said meeting as soon as possible. Even if the Large-Scale Purchaser complies with the procedures set forth in the Plan, the Company's Board of Directors shall convene the said meeting as soon as possible when it will invoke the countermeasures against the purchase from the perspective of securing and improving the Company's corporate value and the shareholders' common interests. In such cases, the Company's Board of Directors will disclose details in accordance with applicable Laws and Regulations, such as the scope of shareholders who are entitled to exercise voting rights (The Company plans to determine an

appropriate scope in light of recent court precedents and the manner of the Large-Scale Purchase), the record date for exercising voting rights, and the date and time of such Shareholders' Intent Confirmation Meeting. A resolution at the Shareholders' Intent Confirmation Meeting shall be adopted by a majority of the voting rights of the shareholders present at the said meeting who are entitled to exercise their voting rights. The Large-Scale Purchase shall only be conducted after the proposal for the invocation of such countermeasures is rejected at the Shareholders' Intent Confirmation Meeting and after the conclusion of the said meeting. If the proposal for the invocation of countermeasures under the Plan is approved at the said Shareholders' Intent Confirmation Meeting, the Company's Board of Directors will resolve to invoke the countermeasures under the Plan against the Large-Scale Purchase. If the Shareholders' Intent Confirmation Meeting resolves to reject the invocation of the countermeasures under the Plan, the countermeasures under the Plan will not be invoked against the Large-Scale Purchase.

Even if the procedures of the Shareholders' Intent Confirmation Meeting are taken, the Company may cancel the convocation of the said meeting in the event that the Company's Board of Directors subsequently resolves not to invoke the countermeasures, or in the event that the Large-Scale Purchaser does not comply with the procedures set forth in the Plan, and the Company's Board of Directors comes to the conclusion that it is appropriate to pass a resolution for the invocation of the countermeasures. If any such resolution is passed, the Company will promptly disclose a summary of the resolution including its Board of Directors' evaluation, judgment and opinion on whether or not the countermeasures need to be invoked, and any other matters that the Company's Board of Directors deems appropriate, in accordance with applicable Laws and Regulations.

(2) Specific details of countermeasures under the Plan

The countermeasure to be invoked by the Company under the Plan shall, in principle, be a gratis allotment of stock acquisition rights (hereinafter referred to as "Stock Acquisition Rights"). However, in case where it is deemed appropriate to invoke other countermeasures that are permitted under Laws and Regulations and the Articles of Incorporation of the Company, such other countermeasures may be taken.

The outline of the gratis allotment of the Stock Acquisition Rights as the countermeasure to be invoked under the Plan shall be as described in Appendix 4, "Outline of the Gratis Allotment of Stock Acquisition Rights." In the event of an actual gratis allotment of the Stock Acquisition Rights, the Company may establish exercise periods, exercise

conditions, acquisition clauses, etc., taking into consideration their effectiveness as countermeasures against a Large-Scale Purchase. These may include (i) exercise conditions stipulating that exercise of the Stock Acquisition Rights by certain Large-Scale Purchasers specified by the Company's Board of Directors in accordance with prescribed procedures, their joint holders, specially related parties, and persons deemed by the Company's Board of Directors as persons substantially controlled by, acting in concert with, or acting in coordination with such parties (hereinafter referred to as "Excluded Parties") will not be permitted. They may also include (ii) an acquisition clause stipulating that, when the Company acquires a portion of the Stock Acquisition Rights, only Stock Acquisition Rights held by holders of stock acquisition rights other than the Excluded Parties may be acquired, or an acquisition clause to the effect that while the Company acquires the Stock Acquisition Rights held by shareholders other than the Excluded Parties in exchange for the Company's common stock, the Company may acquire the Stock Acquisition Rights held by the Excluded Parties in exchange for other stock acquisition rights with certain restrictions on exercise and acquisition clauses, etc.

(3) Effective period, abolition and modification of the Plan

The effective period of the Plan shall be up to the conclusion of this Annual General Meeting of Shareholders pertaining to the final fiscal year ending within three years after the conclusion of this Meeting.

However, if, at the time of expiration of such effective period, there is any person who is specified by the Company's Board of Directors and is actually conducting the Large-Scale Purchase or is attempting to do so, the effective period may be extended to the extent necessary to respond to such ongoing or attempted conduct. Even before the expiration of the effective period, in case where the abolition of the Plan is resolved at the Company's General Meeting of Shareholders based on the Company's proposal or at the Company's Board of Directors consisting of Directors elected at the Company's General Meeting of Shareholders, the Plan shall be abolished at that time.

Moreover, the Company's Board of Directors may revise or modify the Plan from time to time to the extent reasonably necessary in response to changes in Laws and Regulations or changes in the interpretation or application thereof, or changes in the taxation, judicial precedents and other matters, subject to the approval of the Independent Panel. On the other hand, if the Company's Board of Directors makes any changes to the details of the Plan that would actually impact its shareholders, the Company shall submit such changes to the subsequent General Meeting of Shareholders for approval.

If the Plan is abolished, or any change is made to the details of the Plan that would

substantially impact shareholders of the Company, the Company shall promptly disclose the fact of such abolition or change and (in case of a change) the details of the change, and any other matters deemed appropriate by the Company's Board of Directors, in accordance with Laws and Regulations.

### 3. Reasonableness of the Plan

The Plan satisfies the three principles set out in the "Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" (principle of protecting and enhancing corporate value and shareholders' common interests, principle of prior disclosure and shareholders' intent, and principle of ensuring the necessity and reasonableness) released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. The Plan also takes into account the content of "Takeover Defense Measures in Light of Recent Environmental Changes" published on June 30, 2008 by the Corporate Value Study Group, a group set up under the Ministry of Economy, Trade and Industry, "Guidelines for Corporate Takeover: Enhancing Corporate Value and Securing Shareholders' Interests" announced on August 31, 2023 by the Ministry of Economy, Trade and Industry, and "Principle 1-5. Anti-Takeover Measures" in the "Corporate Governance Code," which the Tokyo Stock Exchange introduced on June 1, 2015 following the revisions of its Securities Listing Regulations, and revised on June 1, 2018 and June 11, 2021, respectively, and other practices and discussions regarding anti-takeover measures, and is highly reasonable.

#### (1) Principle of protecting and enhancing corporate value and shareholders' common interests

As described in item 1. above, the Plan aims to protect and enhance the Company's corporate value and the shareholders' common interests in the event of a Large-Scale Purchase, by ensuring the necessary information and time for its shareholders to decide whether or not to accept the Large-Scale Purchase, etc., or for the Company's Board of Directors to present an Alternative Proposal, or by enabling the Company's Board of Directors to negotiate with the Large-Scale Purchaser for the benefit of its shareholders.

#### (2) Principle of prior disclosure and shareholders' intent

The Company will disclose the Plan in advance to increase the predictability of shareholders, investors and the Large-Scale Purchaser and to ensure that shareholders

have an opportunity to make a proper choice.

In addition, the Company will continue to make timely and appropriate disclosure as necessary in accordance with applicable Laws and Regulations and the rules of financial instruments exchanges.

The Company, at the Company's Board of Directors, also resolved to submit a proposal for the continuation of the response policy to takeover under the Plan, as resolved by the Board of Directors, to this Annual General Meeting of Shareholders, as an agenda item. Furthermore, as described in 2. (3) above, even after the Plan is approved at this Annual General Meeting of Shareholders, if a resolution that the Plan be abolished is passed at a subsequent General Meeting of Shareholders of the Company, based on the Company's proposal, or at a meeting of the Company's Board of Directors consisting of Directors elected by the Company's General Meeting of Shareholders, the Plan shall be abolished at that time. In addition, if the Large-Scale Purchaser complies with the procedures set forth in the Plan, the Company shall always convene a Shareholders' Intent Confirmation Meeting regarding the decision to invoke the countermeasures. Therefore, the Plan is designed so that shareholders' intent is fully reflected as the Plan is continued.

(3) Principle of ensuring the necessity and reasonableness

[1] Establishment of the Independent Panel and utmost respect for its recommendations, and ensuring information disclosure

As described in Item 2. above, for the purpose of eliminating arbitrary decisions by the Board of Directors regarding the invocation, etc. of countermeasures against the Large-Scale Purchase under the Plan, and ensuring objectivity and reasonableness of decisions and response made by the Board of Directors, the Company shall establish an Independent Panel that consists only of Outside Directors, Outside Corporate Auditors of the Company or external experts (corporate managers with proven track records, persons from government offices, attorneys, certified public accountants, or academic experts, or their equivalents) who are independent of the management team that engages in the business execution of the Company. The Company's Board of Directors shall give the utmost consideration to the recommendations of the Independent Panel when passing a resolution on whether or not to invoke the countermeasures. In addition, in order to ensure that the decision by the Independent Panel is made in a manner that contributes to ensuring and enhancing the Company's corporate value and shareholders' common interests, the Independent Panel may obtain at the Company's expense, advice of external experts who are independent of the management team that engages in business execution of the Company.

Furthermore, the Company shall disclose a summary of the Independent Panel's decision to its shareholders and investors in accordance with Laws and Regulations, ensuring that the Plan is operated in a transparent manner that contributes to the Company's corporate value and the shareholders' common interests.

[2] Establishment of reasonable objective invocation requirements

As described in Item 2. above, the Plan has been designed so that it will not be activated unless it satisfies reasonable and objective requirements for invocation, ensuring a structure to eliminate arbitrary invocation by the Company's Board of Directors.

[3] Not a dead-hand or slow-hand takeover defense measure

As described in 2.(3) above, the Plan may be abolished at any time by a resolution by the Company's General Meeting of Shareholders based on the Company's proposal or by a resolution of the Board of Directors consisting of Directors elected at the Company's General Meeting of Shareholders. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure whose invocation cannot be prevented even if a majority of the members of the Board of Directors are replaced).

In addition, as the Company does not adopt staggered terms of office, the Plan is neither a slow-hand takeover defense measure (a takeover defense measure that takes time to prevent the invocation of a measure due to the fact that the members of the Board of Directors cannot be replaced all at once).

#### 4. Impact, etc. on shareholders and investors

(1) Impact on shareholders and investors when the Plan takes effect

No Stock Acquisition Rights will be issued upon revision of the Current Plan to the Plan. Therefore, the Plan, upon taking effect, would not have any direct and specific impact on the legal rights and economic interests associated with the Company's shares held by its shareholders.

Meantime, as described in 2.(1) above, the Company's response policy on how to respond to the Large-Scale Purchase depends on whether or not the Large-Scale Purchaser complies with the Plan. Therefore, the Company requests that its shareholders and investors pay close attention to the actions of the Large-Scale Purchaser.

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

If the Company's Board of Directors decides to invoke the countermeasures and conduct a gratis allotment of the Stock Acquisition Rights, the Stock Acquisition Rights shall be

allotted without contribution at a ratio of up to one Stock Acquisition Right per share held by shareholders who are recorded in the shareholder register as of a certain date separately determined by the Company's Board of Directors (hereinafter referred to as the "Allotment Date"). It is a mechanism where, even at the time of gratis allotment of the Stock Acquisition Rights, although the value per share of the Company held by its shareholders will be diluted, the total value of the shares held by shareholders will not be diluted. Therefore, the Company does not expect that there would be any direct and specific impact on the legal rights or economic interests associated with the Company's shares held by its shareholders.

However, the invocation of the countermeasures may result in some impact on the legal rights or economic interests of the Excluded Parties.

In addition, if the Company resolves to conduct a gratis allotment of the Stock Acquisition Rights and subsequently decides to suspend the invocation of countermeasures, the Company's share price may fluctuate accordingly. For example, in the event that, after the shareholders entitled to receive the gratis allotment of the Stock Acquisition Rights have been determined, the Company suspends the invocation of countermeasures, acquires the Stock Acquisition Rights without contribution and does not deliver new shares, no dilution of the economic value per share of the Company held by its shareholders will occur. In that case, it should be noted that shareholders and investors who have sold or bought the Company's shares expecting to see a dilution of the economic value per share of the Company may suffer loss as a result of a fluctuation in share price. Furthermore, when discriminatory terms and conditions are attached to the exercise or acquisition of the Stock Acquisition Rights, the legal rights and economic interests of the Excluded Parties are expected to be affected upon such exercise or acquisition. However, even in that case, the Company does not expect that there would be any direct and specific impact on the legal rights and economic interests associated with the Company's shares held by shareholders other than the Excluded Parties.

### (3) Procedure for shareholders at the gratis allotment of the Stock Acquisition Rights

As shareholders who are recorded in the final shareholder register as of the Allotment Date of the Stock Acquisition Rights will become holders of the stock acquisition rights on the effective date of the gratis allotment of the Stock Acquisition Rights as a matter of course, these shareholders are not required to follow a subscription procedure.

Furthermore, when an acquisition clause is attached to the Stock Acquisition Rights that are to be allotted without consideration, and the Company acquires the Stock Acquisition

Rights, its shareholders will receive as consideration the Company's shares without paying an amount equivalent to the exercise price of stock acquisition rights. However, the Stock Acquisition Rights held by the Excluded Parties may not be eligible for acquisition by the Company. In addition, the Company may acquire the Stock Acquisition Rights held by the Excluded Parties, related to acquisition, in exchange for the same number of stock acquisition rights that have certain restrictions on their exercise and acquisition clauses. In addition to the above, after a resolution is passed by the Company's Board of Directors regarding the gratis allotment of the Stock Acquisition Rights, the Company will disclose or notify the details of procedures with respect to the particulars of methods for the allotment and exercise of the Stock Acquisition Rights, and for the acquisition by the Company and delivery of shares, in a timely and appropriate manner in accordance with applicable Laws and Regulations. Therefore, the Company requests that shareholders confirm the details of disclosure and notification.

**Status of the Company's Major Shareholders**

(As of March 31, 2026)

Shareholder Name	Status of shareholding in the Company	
	Number of shares held (thousand shares)	Shareholding ratio (%)
Tokuzo Inoue	2,049	14.28
Gigapalace Inc.	1,472	10.26
The Icom Foundation	1,000	6.97
UH PARTNERS2, Inc.	891	6.21
HIKARI TSUSHIN, Inc.	685	4.77
The Master Trust Bank of Japan, Ltd. (Trust Account)	632	4.40
JVC KENWOOD Corporation	445	3.10
Aibii, Inc.	374	2.61
Japan Securities Finance Co., Ltd.	369	2.58
Sumitomo Realty & Development Co., Ltd.	357	2.49

- (Note) 1. The number of shares held is rounded down to the nearest thousand shares, and the shareholding ratio is rounded off to two decimal places.
2. The above shareholding ratio is calculated excluding 497,749 shares of treasury stock held by the Company.

**Outline of the Rules of the Independent Panel**

1. The Independent Panel shall be established by a resolution of the Company's Board of Directors to eliminate arbitrary decisions by the Company's Board of Directors regarding the invocation of countermeasures against a Large-Scale Purchase and to ensure objectivity and reasonableness of the Board of Directors' decisions and responses.
2. The members of the Independent Panel shall be at least three persons who are independent of the management team that engages in the business execution of the Company, and shall be selected in accordance with a resolution of the Company's Board of Directors from among (1) Outside Directors of the Company, (2) Outside Corporate Auditors of the Company, or (3) external experts (corporate managers with proven track records, persons from government offices, attorneys, certified public accountants, academic experts, or their equivalents) who meet any of the above criteria. The Company shall enter into a contract with the members of the Independent Panel, which includes provisions regarding the duty of care of a prudent manager and confidentiality.
3. The term of members of the Independent Panel shall expire on the date of conclusion of the Annual General Meeting of Shareholders pertaining to the final fiscal year ending within three years from the time of election or on the date separately agreed upon between the relevant member of the Independent Panel and the Company. However, this shall not apply if otherwise determined by a resolution of the Company's Board of Directors.
4. The Independent Panel shall be convened by the Company's Representative Director or each member of the Independent Panel.
5. The chairperson of the Independent Panel shall be selected by mutual election of the Independent Panel members.
6. Resolutions of the Independent Panel shall, in principle, be adopted by a majority of the members of the Independent Panel present at the meeting attended by all the members. However, in case of accidents or other special reasons involving any of the members of the Independent Panel, resolutions of the Independent Panel shall be adopted by a majority of the members of the Independent Panel present at a meeting attended by all the members except the member concerned.
7. The Independent Panel shall deliberate and resolve on the matters listed in each of the following items, and shall make recommendations to the Company's Board of Directors on the content of such resolutions, along with the reasons thereof.
  - (1) Whether or not to invoke countermeasures related to the Plan
  - (2) Suspension of invoking countermeasures related to the Plan
  - (3) Abolition and modification of the Plan
  - (4) Any other matters that the Company's Board of Directors may voluntarily consult with the Independent Panel in relation to the Plan

Each member of the Independent Panel shall deliberate and make resolutions solely from the perspective of whether or not they contribute to the corporate value of the Company and the shareholders' common interests, and shall not seek to make personal profit for themselves or for the management team of the Company.
8. The Independent Panel may, as necessary, request the attendance of the Company's Directors, Corporate Auditors, or employees, or any other persons it deems necessary, to provide opinions or explanations regarding matters requested by the Independent Panel.
9. In performing its duties, the Independent Panel may, at the Company's expense, obtain advice of external experts (including investment banks, securities firms, financial advisors, certified public accountants, attorneys, consultants and other professionals) who are independent of the management team that engages in the business execution of the Company.

**Names and Career Summary of the Independent Panel Members (listed in Japanese syllabary order)**

Hiroshi Umemoto

[Career summary]	April 1976	Registered as an attorney
	June 2000	Outside Corporate Auditor of the Company (to present)
	January 2003	Managing Partner of Eiko Sogo Law Office (to present)

Akifumi Honda

[Career summary]	April 2008	Retired from SANYO Electric Co., Ltd. Senior Managing Executive Officer of Elmo Co., Ltd.
	January 2010	President and Representative Director of Elmo Solution Sales Co., Ltd.
	June 2012	Deputy Chairman and Director of Elmo Co., Ltd.
	June 2014	President and Representative Director of SOA Solutions, Co., Ltd.
	June 2018	Outside Director of the Company (to present)
	June 2024	President and Representative Director of SOA Solutions, Co., Ltd. (to present)

Haruyuki Yoshizawa

[Career summary]	November 1992	Founded Meguro Electrics Co., Ltd. Representative Director of Meguro Electrics Co., Ltd.
	October 2011	Chairman and Director of Meguro Electrics Co., Ltd.
	June 2014	Outside Director of the Company (to present)

**Outline of the Gratis Allotment of Stock Acquisition Rights**

1. Total number of Stock Acquisition Rights to be allocated

The total number of Stock Acquisition Rights to be allocated shall be the number separately determined by a resolution of the Company's Board of Directors regarding the gratis allotment of the Stock Acquisition Rights (hereinafter referred to as the "Gratis Allotment Resolution"), but not exceeding the same number as the final total number of the Company's shares issued as of a certain date separately determined by the Company's Board of Directors (hereinafter referred to as the "Allotment Date") in the Gratis Allotment Resolution (excluding the number of the Company's shares held by the Company at such time).

2. Shareholders eligible for allotment

The Company will allot the Stock Acquisition Rights without consideration to the shareholders who are recorded in the shareholder register as of the end of the Allotment Date as a ratio separately specified by the Company's Board of Directors in the Gratis Allotment Resolution, but not exceeding one Stock Acquisition Right per share of common stock of the Company (excluding the Company's shares held by the Company at such time).

3. Effective date of the gratis allotment of the Stock Acquisition Rights

The effective date shall be separately determined by the Company's Board of Directors in the Gratis Allotment Resolution.

4. Class and number of shares to be acquired upon exercise of the Stock Acquisition Rights

The class of shares to be acquired upon exercise of the Stock Acquisition Rights shall be common stock of the Company. The number of shares to be acquired upon exercise of each Stock Acquisition Right shall be the number separately determined by the Company's Board of Directors in the Gratis Allotment Resolution, but not exceeding one share per Stock Acquisition Right. However, if necessary adjustments shall be made in case the Company conducts a share split or consolidation of shares.

5. Details of amount of assets to be contributed upon exercise of the Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights shall be in cash, and the amount of assets to be contributed per share of common stock of the Company upon exercise of the Stock Acquisition Rights shall be one yen or more, as separately determined by the Company's Board of Directors in the Gratis Allotment Resolution.

6. Restriction on transfer of Stock Acquisition Rights

Any transfer of the Stock Acquisition Rights shall be subject to approval of the Company's Board of Directors.

#### 7. Conditions for exercising the Stock Acquisition Rights

Conditions for exercising the Stock Acquisition Rights shall be separately determined by the Company's Board of Directors (The Company may attach exercise conditions, taking into account their effectiveness as countermeasures against the Large-Scale Purchase, including exercise conditions stipulating that exercise of the Stock Acquisition Rights by certain Large-Scale Purchasers as specified by the Company's Board of Directors in accordance with prescribed procedures, its joint holders and specially related parties, and persons deemed by the Company's Board of Directors as persons substantially controlled by, acting in concert with or in coordination with such parties (hereinafter referred to as the "Excluded Parties") will not be permitted.)

#### 8. Acquisition of the Stock Acquisition Rights by the Company

Subject to the occurrence of certain events or the arrival of the date separately determined by the Company's Board of Directors, the Company may, in accordance with a resolution of its Board of Directors, attach acquisition clauses, taking into account their effectiveness as countermeasures against the Large-Scale Purchase, such as an acquisition clause stipulating that the Company may acquire all of the Stock Acquisition Rights or only Stock Acquisition Rights held by shareholders other than the Excluded Parties, or with respect to the Stock Acquisition Rights held by shareholders other than the Excluded Parties, an acquisition clause to the effect that the Company may acquire them in exchange for the Company's common stock, or regarding the Stock Acquisition Rights held by the Excluded Parties, the Company may acquire them in exchange for other stock acquisition rights with certain exercise conditions and acquisition clauses.

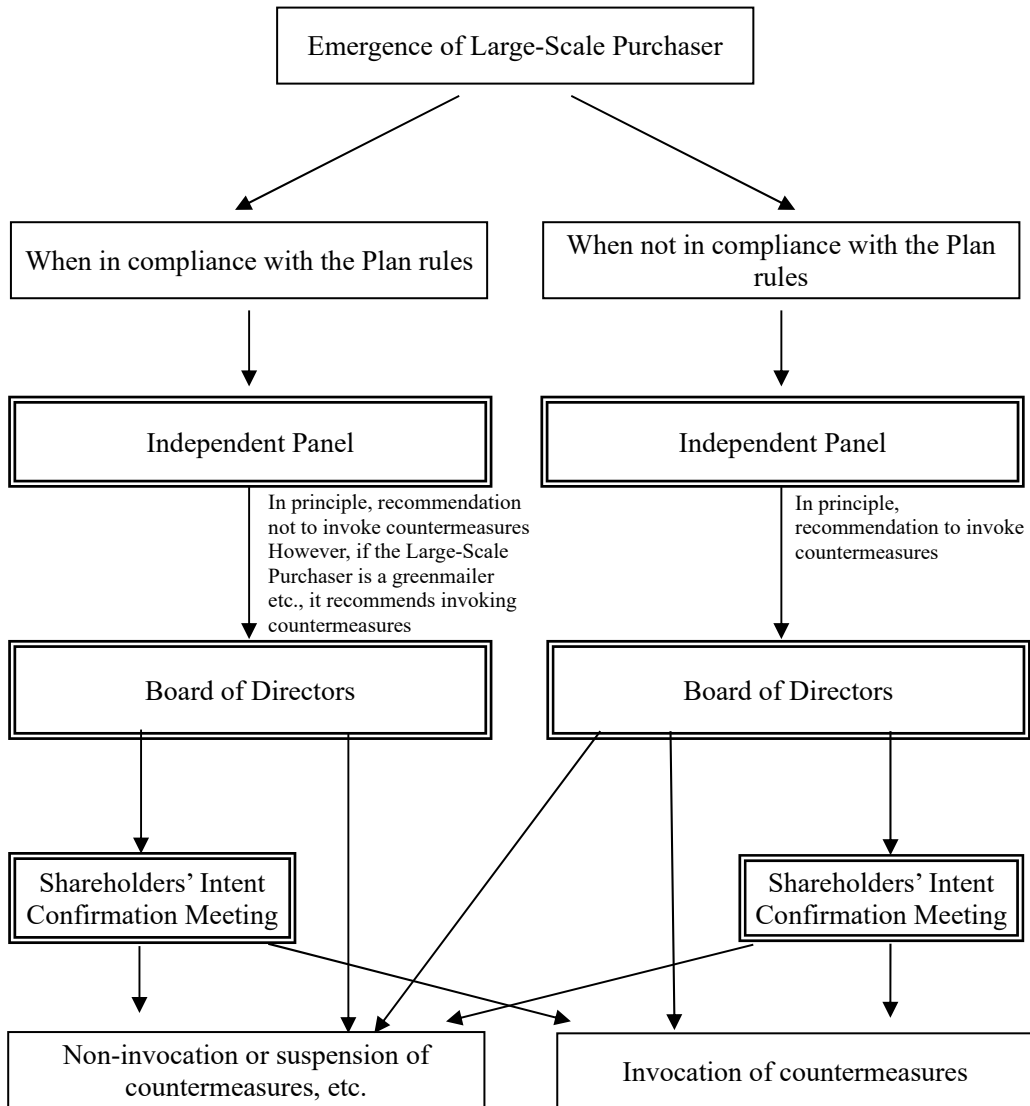
#### 9. Acquisition without consideration in the event that the invocation of countermeasures is suspended.

In the event that the Company's Board of Directors suspends the invocation of countermeasures or in any other cases separately determined by the Company's Board of Directors in the Gratis Allotment Resolution, the Company may acquire all of the Stock Acquisition Rights without consideration.

#### 10. Exercise period of the Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights and other necessary matters shall be separately determined by the Company's Board of Directors in the Gratis Allotment Resolution.

**Outline of the Procedural Flow of the Plan**



\* This chart illustrates an outline of the procedural flow of the Plan. For details, please refer to the text of this press release.