

March 31, 2025

Company name TOKYO KEIKI INC.
Representative Tsuyoshi ANDO, Representative Director,
President & CEO
(Code number: 7721; Tokyo Stock Exchange, Prime Market)
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**Notice Regarding Continued Implementation of the Company's Large-scale Purchase
Rules (Takeover Response Policy)**

The Large-scale Purchase Rules (hereinafter the “Rules”) of TOKYO KEIKI INC. (hereinafter the “Company”) were approved at the 91st General Meeting of Shareholders (held on June 29, 2022) and are set to expire upon conclusion of the Company's 94th General Meeting of Shareholders to be held in June 2025. As such, we have carefully reviewed the nature of the Rules, including the question of their continuation, upon having taken into account factors that include subsequent changes in social and economic conditions. As a result, we have decided to partially review the Rules at the meeting of the Company's Board of Directors held on March 31, 2025, and to continue implementing the Rules, subject to shareholder approval at the 94th General Meeting of Shareholders. The prospect of continuing implementation of the Rules has received consent from all members of the Company's Audit and Supervisory Committee and Special Committee.

Upon review of the Rules, we have taken into account factors, including recent judicial precedents and practical trends regarding the takeover response policy, and incorporated the following changes to the current rules.

- 1) Review of effective period
- 2) Review of definitions of Large-scale Purchase and specified shareholder group
- 3) Revision associated with the aforementioned changes, along with other revisions of formal wording, etc.

Details of the Rules are as set forth in the accompanying Attachment.

[Background to and Necessity of Continuing Implementation of the Rules]

TOKYO KEIKI Group (the “Group”) intends to steadily drive the TOKYO KEIKI Vision 2030 and transform its business structure into one that is flexible and robust to enhance corporate value through sustainable growth, which will in turn enhance the common interests of the Company's shareholders. Whereas the Company's Board of Directors is to ensure that transformation of the business structure will be carried out, the Board, as it has been delegated by shareholders to manage the Company, believes it to be its duty and authority to prevent any “acquisition without consent” that would diminish the Company's corporate value or the common interests of its shareholders. Meanwhile, the term “acquisition” herein refers to an act of an acquiring party gaining corporate control of a listed company by acquiring its shares. The term “acquisition without consent” refers to an acquisition made without having gained approval of the Company's Board of Directors.

On the other hand, the percentage of unstable shareholders investing in companies listed on the Prime Market has been increasing in recent years due to a decreasing ratio of cross-shareholdings, which has given rise to concerns that takeovers will persist in Japan's capital markets going forward. Such a situation gives rise to potential threats of acquisition without consent such that undermines the corporate value and common interests of shareholders with respect to companies subject to acquisition, attributable to lack of sufficient disclosure of information to shareholders, investors, and other stakeholders. The possibility of the Company encountering similar situations cannot be ruled out.

Against that backdrop, we deem it necessary that we continue implementing the Rules over the next three years in terms of ensuring existence of a framework for preventing takeovers by parties seeking acquisition without consent, in light of the "Basic Policy Regarding the Control of the Company."

[Basic Policy Regarding the Control of the Company]

1. Details of the Basic Policy

In upholding the Group's Management Philosophy of contributing to society by providing customers with products that embody functions of the human senses in terms of measurement, cognition, and control, created using cutting-edge technology, our employees strive for self-improvement each and every day underpinned by the seven guiding principles of our Group Code of Conduct encompassing everything from principles associated with customer satisfaction to environmental protection and legal compliance. The Group recognizes that implementing various initiatives for enhancing corporate value and achieving enhancement of corporate value hinges primarily on the high moral standards and ability to take action with respect to the employees who put these principles into practice. In other words, we believe that the prospect of enhancing the Group's corporate value and ultimately maintaining and enhancing common interests of the shareholders hinges on a situation where management and employees embrace common goals while also ensuring that the Management Philosophy and Group Code of Conduct are tangibly applied to our business practices.

However, we deem that judgments on whether to accept or reject an acquisition bid should be made by our shareholders in the event that any such offer is made by a party whose perspective differs from the Company in this regard. Meanwhile, the Board, as it has been delegated by shareholders to manage the Company, believes it to be its duty and authority to prevent acquisitions that would diminish the Group's corporate value or the common interests of its shareholders. If an acquisition bid is made, we accordingly deem that the Company needs to prevent any acquisition that would diminish the Group's corporate value and ultimately the common interests of its shareholders by ensuring that shareholders are given the necessary information and sufficient deliberation time for enabling them to make judgments as to whether or not such acquisition would diminish corporate value.

2. Specific Initiatives

The Company has introduced its "Large-scale Purchase Rules (Takeover Response Policy)," which outline clear and specific procedures to be enlisted before an acquisition bidder engages in tangible takeover action. In so doing, we accordingly aim to deter acquisition without consent such that would diminish the Group's corporate value and ultimately the common interests of the shareholders by ensuring opportunities for shareholders to make such judgments, while furthermore ensuring that the Board of Directors has the necessary information and sufficient deliberation time in order to present alternative proposals to shareholders, thereby enabling negotiations with the acquisition bidder. Every three years, the

Rules are to be reviewed, resolved by the Board of Directors, then approved at a General Meeting of Shareholders.

An overview of the Rules is provided below.

(a) Establishment of procedures associated with implementation of the Rules

We have established procedures for contending with actions and proposals that involve purchasing 20% or more of the Company's issued share certificates, etc., or otherwise seeking to effect a purchase that would result in ownership of 20% or more of the Company's issued share certificates, etc. (hereinafter "Large-scale Purchase"). Under these procedures, the Company will first make a request to be provided with preliminary information regarding the Large-scale Purchase, etc. and ensure time for analysis and deliberation regarding the Large-scale Purchase, etc. Then, the Company will present the Group's medium-term business plan and alternative proposals, etc. to shareholders; refer to a General Meeting of Shareholders matters that involve procedures for negotiating with a Large-scale Purchaser, etc. and matters furthermore that involve referring the matter of whether or not to implement countermeasures to a General Meeting of Shareholders; or otherwise have the Board of Directors resolve the matter of implementing countermeasures.

(b) Use of the Special Committee to eliminate arbitrary judgments made by the Board of Directors

In order to eliminate arbitrary judgments made by the Company's Board of Directors with respect to judgments on implementation or non-implementation of specific countermeasures, as a general rule, the Rules ensure transparency and fairness by requiring judgments made by the Special Committee composed of the Company's independent Outside Directors along with experts who include one or more university professors, attorneys at law, and certified public accountants who are entirely unaffiliated with the Group, in accordance with the Special Committee Regulations, and by requiring timely disclosure of information to shareholders.

3. Rationality of Specific Initiatives

(a) Satisfies guidelines for corporate takeovers and the requirements of Tokyo Stock Exchange rules

The Rules fully satisfy the three principles specified in the "Guidelines for Corporate Takeovers" (1. Principle of Corporate Value and Shareholders' Common Interests, 2. Principle of Shareholders' Intent, 3. Principle of Transparency) released by the Ministry of Economy, Trade and Industry on August 31, 2023, and the Matters to be Observed Pertaining to Introduction of Takeover Defense Measures (1. Sufficient disclosure, 2. Transparency, 3. Effect on the secondary market, 4. Respect for shareholders' rights) in the "Securities Listing Regulations" of Tokyo Stock Exchange, Inc.

(b) Implemented for the purpose of protecting and enhancing shareholders' common interests

The Rules have been implemented for the purpose of securing and enhancing the Company's corporate value and ultimately the common interests of its shareholders when encountering an attempted Large-scale Purchase of the Company's shares. To fulfill this purpose, the Rules enable the Company to negotiate with the large-scale purchase bidder on behalf of the shareholders, in addition to enabling the shareholders to make appropriate judgments on whether or not the Large-scale Purchase should be accepted by ensuring they have the necessary information and sufficient time to adequately deliberate on proposals by the large-scale purchase bidder, which includes alternative proposals by the Company's Board of Directors.

(c) Prioritizes the will of shareholders

The Rules reflect shareholder intentions in stipulating that their adoption and continuation are to be determined by means of approval of the shareholders at a General Meeting of Shareholders. Furthermore, after it has been decided to continue the Rules, if a resolution is adopted to discontinue the Rules at a General Meeting of Shareholders of the Company, the Rules will be discontinued at that time, even if it is during the effective period of the Rules. Therefore, the Rules may be discontinued at any times by means of proposal made at a General Meeting of Shareholders.

The effective period of the Rules has been set for three years subsequent to resolution for their adoption at the General Meeting of Shareholders for fiscal year 2007 (held on June 28, 2007), with resolutions subsequently adopted to continue the Rules at the General Meeting of Shareholders for fiscal year 2010 (held on June 29, 2010), the General Meeting of Shareholders for fiscal year 2013 (held on June 27, 2013), the General Meeting of Shareholders for fiscal year 2016 (held on June 29, 2016), the General Meeting of Shareholders for fiscal year 2019 (held on June 27, 2019), and the General Meeting of Shareholders for fiscal year 2022 (held on June 29, 2022). The Rules will continue to be subject to shareholder approval at the General Meeting of Shareholders every three years. Furthermore, if a resolution is adopted to discontinue the Rules at a General Meeting of Shareholders of the Company, the Rules will be discontinued at that time, even if it is during the effective period of the Rules.

(d) Prioritizes judgments by highly independent external parties and information disclosure

According to the Rules, when implementing countermeasures, the Special Committee made up of only independent external parties will be consulted, and its recommendations will be respected to the maximum extent possible. The Special Committee will rigorously monitor arbitrary actions of the Company's Board of Directors and disclose an overview of its judgments (recommendations) to the shareholders, thereby establishing procedures to ensure the transparent application of the Rules.

(e) Sets reasonable and objective requirements for implementing countermeasures

The Rules have been set up to ensure that countermeasures will not be implemented unless the pre-established reasonable and objective requirements are met (that there are reasonable grounds to determine that such Large-scale Purchase would significantly diminish the Company's corporate value or the common interests of its shareholders), and a framework has been put in place to prevent the Board of Directors from arbitrarily implementing said countermeasures.

(f) Is not a takeover response policy enlisting "dead-hand" or "slow-hand" approaches

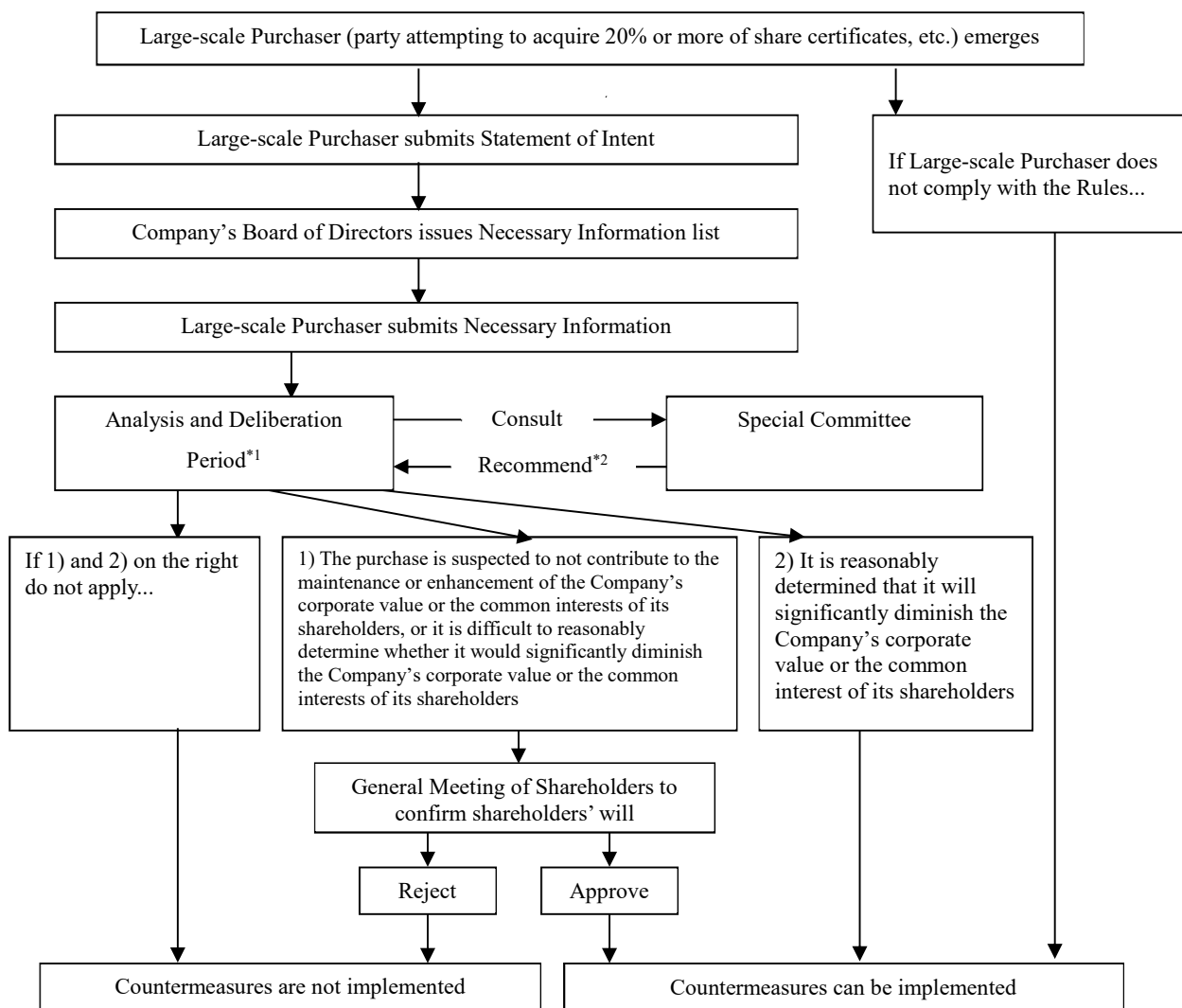
The Rules can be discontinued at any time by a General Meeting of Shareholders resolution, and may be deemed inapplicable if the Board of Directors determines that a Large-scale Purchase by a Large-scale Purchaser would not fall under the category of an acquisition that would diminish the Company's corporate value or the common interests of its shareholders; therefore, a party that purchases a large amount of the Company's shares can block the implementation of the Rules at a General Meeting of Shareholders of the Company through actions such as discontinuing the Rules or nominating Directors and adopting a resolution by the Company's Board of Directors that includes said Directors. Therefore, the Rules do not constitute a "dead-hand" approach (takeover response policy that prevents implementation of the Rules from being blocked even if the majority of the members of the Board of Directors are replaced).

Furthermore, the term for the Company's Directors who are not Audit and Supervisory Committee Members is one (1) year, and a staggered board system is not used; therefore, the Rules also do not

constitute a “slow-hand” approach (takeover response policy whereby it takes time to block the implementation of the Rules because the Directors cannot be replaced at once).

[Rules Flowchart]

The purpose of this chart is only to contribute to the understanding of the Rules. For details on the Rules, see the full text of the Large-scale Purchase Rules.



*1 The Analysis and Deliberation Period is up to 60 business days, as a general rule, but can be extended for up to a maximum of 30 business days if the Company's Board of Directors deems it necessary.

*2 The Special Committee will provide recommendations to the Company's Board of Directors on whether it would be appropriate to implement countermeasures, or whether it would be appropriate to eventually confirm the will of the shareholders due to difficulties in determining the appropriateness of implementing countermeasures, and the Company's Board of Directors will adopt a resolution on the implementation of countermeasures, respecting said recommendations to the maximum extent.

Attachment

Large-Scale Purchase Rules of TOKYO KEIKI INC. (Takeover Response Policy)

1. Purpose of Implementing the Rules: Maintaining the Company's corporate value or shareholders' common interests

The Company's Board of Directors will work to maintain and enhance the Company's corporate value and the common interests of its shareholders, particularly from a medium- to long-term perspective. Additionally, the Board, as it has been delegated by shareholders to manage the Company, believes it to be its duty and authority to prevent acquisitions that would diminish the Company's corporate value or the common interests of its shareholders.

However, presently it is possible for anyone to acquire shares of an amount that could affect corporate management without disclosing enough information to determine whether the acquisition would diminish corporate value. For this reason, the Company's Board of Directors has formulated rules to be able to determine the effect an acquisition would have on corporate value and has decided to implement countermeasures if it is determined that the acquisition would significantly diminish the Company's corporate value or the common interests of its shareholders.

2. Details of the Rules

- (1) Definition of Large-scale Purchase

The term Large-scale Purchase applies under any of the following circumstances.

- 1) An act of purchasing the Company's share certificates, etc. with the intent that a specified shareholder group^(Note 1) can raise the percentage of voting rights^(Note 2) to 20% or more
 - 2) An act of purchasing the Company's share certificates, etc. that results in the percentage of voting rights of a specified shareholder group reaching 20% or more
 - 3) Irrespective of whether any of the acts described in the above item 1) or item 2) occur, an act conducted by a specified shareholder group of the Company with other shareholders of the Company (including cases where there are multiple such shareholders; the same shall apply hereinafter in this item 3)), and as a result of such act, an agreement or other act that results in the other shareholders becoming joint holders or special related parties of the specified shareholder group, or any act that establishes a relationship^(Note 3) between the specified shareholder group and the other shareholders whereby one party effectively controls the other party or whereby they act jointly and in concert^(Note 4) (however, this shall apply only if the percentage of voting rights of the specified shareholder and the other shareholders with respect to share certificates, etc. for which the Company is the issuer becomes 20% or more.)

Note 1. Specified shareholder group means:

- (i) A holder (means a "holder" provided in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including those deemed as holders in accordance with Paragraph 3 of the same article; the same shall apply hereinafter) of the Company's share certificates, etc. (means "share certificates, etc." provided in Article 27-23, Paragraph 1 of the above-mentioned act) and a joint holder thereof (meaning the "joint holder" provided in Article 27-23, Paragraph 5 of the above-mentioned act, including those deemed as joint holders in accordance with Paragraph 6 of the same article; the same shall apply hereinafter), and any party who falls under (iii) below

- (ii) Parties who effect the purchase, etc. (meaning the “purchase, etc.” provided in Article 27-2, Paragraph 1 of the above-mentioned act, which includes purchases that take place in a financial instruments exchange market) of the Company’s share certificates, etc. (means “share certificates, etc.” provided in Article 27-2, Paragraph 1 of the above-mentioned act) and a special related parties thereof (meaning the “special related parties” provided in Article 27-2, Paragraph 7 of the above-mentioned act; the same shall apply hereinafter), and any party who falls under (iii) below
- (iii) Investment banks, securities companies, and other financial institutions that have entered into financial advisory agreements with any of the members of the specified shareholder group set forth in (i) or (ii) above, along with their tender offer agents, lead managing underwriters, attorneys at law, certified public accountants, and other advisors, as well as recipients of the Company’s share certificates, etc. from these parties through off-market direct transactions or through off-floor trading on the Tokyo Stock Exchange (ToSTNeT-1)

Note 2. Percentage of voting rights means:

- (i) If the specified shareholder group corresponds to (i) of Note 1, percentage of voting rights refers to the ownership ratio of share certificates, etc. of the holder (meaning the “ownership ratio of share certificates, etc.” provided in Article 27-23, Paragraph 4 of the above-mentioned act, in which case the number of share certificates, etc. held [meaning the “number of share certificates, etc. held” provided in the same clause] by the joint holder and parties mentioned in (iii), above, are added; the same shall apply hereinafter.)
- (ii) If the specified shareholder group corresponds to (ii) of Note 1, the total of the ownership ratio of share certificates, etc. (meaning the “ownership ratio of share certificates, etc.” provided in Article 27-2, Paragraph 8 of the above-mentioned act; the same shall apply hereinafter) of the party that purchases a large amount of the Company’s shares, the special related parties, and parties mentioned in (iii), above. To calculate the ownership ratios of share certificates, etc. of each of these cases, the total number of voting rights (meaning the “total number of voting rights” provided in Article 27-2, Paragraph 8 of the above-mentioned act) and the total number of issued shares (meaning the “total number of issued shares” provided in Article 27-23, Paragraph 4 of the above-mentioned act) can be referred to in the most recently submitted reports on repurchase, securities reports, semi-annual reports, and other such documents.

Note 3. Method of determining the establishment of such relationship, etc.

The determination of whether any such relationship has been established shall be made on the basis of factors that include: (a) the formation of relationships such as a new investment relationship, business alliance, transactional or contractual relationship, interlocking directorates relationship, funding relationship, credit extension relationship, and substantial stake in relation to the Company’s share certificates, etc. through derivatives and stock lending, etc.; and (b) the direct and indirect influence exerted on the Company by the specified shareholder group and the other shareholders.

Note 4. Method for assessing such acts, etc.

The Company's Board of Directors shall establish reasonable grounds to determine whether such acts have occurred (recommendations of the Special Committee shall be respected to the maximum extent possible in making such determinations). In addition, the Company's Board of Directors may request that shareholders provide necessary information to the extent necessary for determining whether the criteria set forth in 3) of the main text apply.

(2) Provision of necessary information by a Large-scale Purchaser

- 1) Before starting a Large-scale Purchase, a party intending to make Large-scale Purchase of the Company's shares (hereinafter "Large-scale Purchaser") must provide its name, address, governing law of incorporation, representative's name, contact information in Japan, and an overview of the purpose it is trying to achieve with the Large-scale Purchase, and submit to the Company a document pledging it will comply with the procedures specified in the Rules (hereinafter "Statement of Intent").
- 2) Within ten (10) business days after receiving the Statement of Intent submitted by the Large-scale Purchaser, the Company's Board of Directors shall issue to the Large-scale Purchaser a list of necessary information that requests the Large-scale Purchaser to provide information needed to enable the Company's Board of Directors to determine whether the action of the Large-scale Purchaser falls under the category of an acquisition that would diminish the Company's corporate value or the common interests of its shareholders, which will include the following items (hereinafter "Necessary Information"). If the Company's Board of Directors deems the information submitted by the Large-scale Purchaser to be insufficient, it will require the provision of additional information until sufficient Necessary Information has been gathered.
- 3) If a Statement of Intent has been submitted by a Large-scale Purchaser, Necessary Information has been submitted to the Company's Board of Directors, and deliberations and analysis of the provided information have begun, the Company's Board of Directors will disclose these facts accordingly. Furthermore, in the event that it is determined that the Necessary Information is needed for the Company's shareholders to make a judgment, said information will be disclosed in whole or in part at the time deemed appropriate.
- 4) The specific details of the Necessary Information will differ depending on the attributes of the Large-scale Purchaser and the details of the Large-scale Purchase, but in general, it will include the following:
 - A) Overview of the specified shareholder group (including joint holders and special related parties, as well as partners and other constituent members in the case of a fund)
 - B) Purpose and details of what is to be achieved by means of the Large-scale Purchase
 - C) Grounds for calculating the purchase value and evidence of funds to make the purchase
 - D) Information that is necessary and sufficient to determine that the management policies, business plans, financial plans, capital policies, dividend policies, asset utilization measures, HR policies, and so on that are expected once the Large-scale Purchaser becomes involved in the management of the Company will not diminish the Company's corporate value or the common interests of its shareholders

(3) Analysis and deliberation by the Company's Board of Directors

- 1) The Company's Board of Directors will analyze and deliberate on the Necessary Information, which will include obtaining advice from outside experts, and put together and announce its opinion within 60 business days calculated from the day the Necessary Information is received from the Large-scale Purchaser (hereinafter, "Analysis and Deliberation Period"); provided, however, that the Company's Board of Directors can extend this period for a maximum of 30 business days if necessary, in which case it will disclose the length and reason of the extension. The reason the Company has set the Analysis and Deliberation Period at 60 business days is that it is necessary to carefully deliberate on the impact a Large-scale Purchase would have on the Company's corporate value because its business operations have an enormous impact on a wide variety of stakeholders, as described above, and its Defense & Communications Equipment Business in particular is heavily involved with the defense policies of Japan, as information handled by the Company is rigorously managed to preserve defense secrets in accordance with its contract with the Ministry of Defense.
- 2) The Company's Board of Directors may negotiate with the Large-scale Purchaser and present alternative proposals to the Company's shareholders as needed during the Analysis and Deliberation Period.

(4) General Meeting of Shareholders to confirm the will of shareholders

- 1) In the event that, as a result of analyzing and deliberating on the Necessary Information, the Company's Board of Directors suspects that the management policies, business plans, etc. after the Large-scale Purchase by the Large-scale Purchaser occurs are unreasonable, or suspects that they are inferior to the management policies, business plans, etc. of the Company's Board of Directors (including alternative proposals to management policies, business plans, etc. after the Large-scale Purchase by the Large-scale Purchaser occurs), or otherwise suspects that they will not contribute to maintaining and enhancing the Company's corporate value or the common interests of its shareholders, the Company's Board of Directors will immediately announce said suspicion, convene a General Meeting of Shareholders without delay to confirm the will of the shareholders, and place a proposal on whether to implement countermeasures on the agenda; provided, however, that if it is determined to be faster and more appropriate to place the proposal on the agenda of the General Meeting of Shareholders already scheduled, taking into consideration practical procedures and other factors, it will be placed on the agenda of said meeting.
- 2) In making the above-mentioned determination, the Board of Directors will adopt a resolution that respects the recommendations of the Special Committee (detailed in 4. below) to the maximum extent possible.

(5) Suspending or stopping the implementation of countermeasures

- 1) In the cases described in 3.(1) or 3.(2) below, in the event that, once a resolution has been adopted at the meeting to confirm the shareholders' will or by the Company's Board of Directors to take concrete countermeasures against the Large-scale Purchaser, said Large-scale Purchaser indicates to the Company's Board of Directors that it will withdraw, make changes to, or present an alternative proposal for the Large-scale Purchase, or in the event that there are changes in the facts related to the implementation of countermeasures, the Company's Board

of Directors may suspend or stop the implementation of countermeasures if it determines that it is not appropriate to implement countermeasures as a result of thoroughly deliberating whether it would harm the Company's corporate value or the common interests of its shareholders as a whole, on the conditions that the timing is before the rights arising from the implementation of countermeasures have been vested to the shareholders and that doing so would not harm the interests of the shareholders.

- 2) In the event the implementation of countermeasures is suspended or stopped in this way, it will be disclosed without delay.

(6) Possible timing to start Large-scale Purchase

A Large-scale Purchase may start only after the Analysis and Deliberation Period (in the event that a General Meeting of Shareholders to confirm the will of the shareholders is convened and after the proposal on implementing countermeasures is rejected at said meeting).

(7) Exemption from the Rules

In the event that the Company's Board of Directors determines that the Large-scale Purchase by the Large-scale Purchaser does not fall under the category of an acquisition that would diminish the Company's corporate value or the common interests of its shareholders as a result of the analysis and deliberation in (3) above or before that time, the Board of Directors will not apply the Rules going forward and will immediately adopt a resolution that it will not implement countermeasures, which it will announce at a time it deems appropriate.

3. Policy for Response in the Event of a Large-scale Purchase

(1) In the event that the Large-scale Purchaser does not comply with the Rules:

- 1) In the event the Large-scale Purchaser does not comply with the Rules, the Company's Board of Directors may implement countermeasures by choosing those it deems most appropriate out of the possible countermeasures under the Companies Act and other laws and the Company's Articles of Incorporation, which include issuing share acquisition rights.
- 2) In determining whether the Large-scale Purchaser has complied with the Rules, the Company's Board of Directors will take due consideration of the Large-scale Purchaser's circumstances within reason, and at the very least will not consider the Large-scale Purchaser as not complying with the Rules only for the reason that it has not submitted some of the Necessary Information.

(2) In the event the Large-scale Purchaser does comply with the Rules:

- 1) In the event the Large-scale Purchaser does comply with the Rules, the Company's Board of Directors will not implement countermeasures against the Large-scale Purchase.
- 2) Irrespective of 1) above, in the event it is reasonably determined that said Large-scale Purchase would significantly diminish the Company's corporate value or the common interests of its shareholders, countermeasures may be implemented in the same way as in (1) above. Examples of such cases are as follows:

- (a) It is determined that the purpose is only to inflate stock prices and force the Company or its stakeholders to buy them back at a high price with no real intention to participate in the management of the Company
 - (b) It is determined that the purpose is to temporarily control the management of the Company and carry out a “scorched earth” management policy, such as transferring to the acquisition bidder or its group company intellectual property rights, know-how, corporate secrets, key business partners, customers, or other elements needed to manage the Company’s businesses
 - (c) It is determined that the purpose is to divert the Company’s assets after obtaining control of the management of the Company to use as collateral for or to pay off the debt of the acquisition bidder, its group company, or other party
 - (d) It is determined that the purpose is to temporarily control the management of the Company and either dispose of, by sale or other means, assets such as real estate and securities that have no current involvement with the Company’s businesses and turn the proceeds thereof into temporary high dividends, or sell the Company’s shares at a high price when stock prices surge by declaring temporarily high dividends
 - (e) It is determined that the purpose may be to effectively force the Company’s shareholders to sell the Company’s shares, using means such as making a Large-scale Purchase of the Company’s shares by planning a coercive two-tiered purchase (referring to a tender offer or other proposal for the purchase of shares in which the purchaser offers to purchase a limited number of shares in the initial tier and then makes another offer in a second tier for the remaining shares on more disadvantageous terms or does not make such terms clear)
 - (f) It is a Large-scale Purchase of shares by an anti-social organization or by an individual or group that controls or is involved with such an organization
 - (g) It is determined that the management policy and business plan of the Company after the Large-scale Purchase of shares by the Large-scale Purchaser is extremely unreasonable
 - (h) It is determined that it is far inferior to the management policy and business plan of the Company’s Board of Directors (which includes alternative proposals for management policies and business plans after the Large-scale Purchase of shares by the Large-scale Purchaser occurs)
- 3) Furthermore, countermeasures will be implemented if the shareholders approve the implementation of countermeasures at the General Meeting of Shareholders to confirm the will of the shareholders.

4. Procedures When Countermeasures Are Implemented

- 1) In order to determine whether or not it is appropriate to implement countermeasures against the Large-scale Purchaser and, even if the implementation is appropriate, whether or not it is appropriate to eventually confirm the will of the shareholders, the Company’s Board of Directors will consult in advance the Special Committee, established as an organization independent from the Company’s Board of Directors, about the appropriateness of implementing countermeasures in order to ensure the fairness of the determination made by the Company’s Board of Directors (An overview of the Special Committee is provided in the attached material.).
- 2) Based on the consultation from the Company’s Board of Directors, the Special Committee will gather opinions, which may include obtaining advice from outside experts, and provide

recommendations to the Company's Board of Directors on whether it would be appropriate to implement countermeasures, or on the Special Committee's belief that it would be appropriate for the Company's Board of Directors to eventually confirm the will of the shareholders due to difficulties in determining the appropriateness of implementing countermeasures. The Company's Board of Directors will disclose said recommendations to shareholders and adopt a resolution on the implementation of countermeasures, respecting said recommendations to the maximum extent.

- 3) The period during which the Company's Board of Directors will consult the Special Committee and receive a response shall be included in the Analysis and Deliberation Period specified in 2. (3).

5. Impact on Shareholders and the Secondary Market

(1) When implementing the Rules

When the Rules are implemented, no legal measures such as issuance of share acquisition rights will be taken; therefore, there will be no changes in the relationship of rights of shareholders, and the implementation will not distort the formation of stock prices.

(2) After implementing countermeasures

- 1) The Company's Board of Directors does not expect to implement countermeasures of a type that would cause a marked loss to the Company's shareholders (excluding those who make an acquisition that would significantly diminish the Company's corporate value or the common interests of its shareholders) or distort the formation of stock prices.
- 2) In the event that the Company's Board of Directors decides to implement countermeasures, it will make an appropriate disclosure at the appropriate time to prevent unforeseen loss to shareholders in accordance with laws, regulations, and stock exchange rules.

6. Start, Effective Period, and Continuance, Discontinuance, etc. of the Rules

- 1) The Rules will continue upon approval by the shareholders at the 94th General Meeting of Shareholders, and the effective period shall be until the close of the General Meeting of Shareholders scheduled to be held in June 2028.
- 2) Irrespective of 1) above, even after the continuance of the Rules is approved at the 94th General Meeting of Shareholders and the Rules go into effect, the Rules may be discontinued if a resolution is adopted to discontinue the Rules at a General Meeting of Shareholders.
- 3) The Company's Board of Directors may revise the Rules as needed, even during the effective period of the Rules, to improve the Company's corporate value and ultimately the common interests of its shareholders, in which case it will gain the approval of shareholders at the General Meeting of Shareholders that is nearest to the date of the resolution by the Board of Directors. If the Company's Board of Directors thus makes changes to the Rules, it will disclose the details without delay.
- 4) The Rules may be revised or changed, with the agreement of the Special Committee as needed, if the revisions or changes do not disadvantage the shareholders, in cases such as those where it is appropriate to apply the establishment, revision or abolishment of laws and regulations relating to the Rules, rules of the financial instruments exchange market where the Company is listed, or other rules, or it is appropriate to revise the wording due to typographical errors and the like.

Attached Material: Overview of Special Committee, Etc.

1. Members of the Special Committee

The Special Committee is composed of three (3) to five (5) members who have been approved by a majority of the Company's Board of Directors from the viewpoint of securing independence from the Board of Directors and ensuring decision-making capability regarding corporate management:

2. Reference: Persons to Be Appointed as Members of the Special Committee effective June 26, 2025

Masafumi NAKAHIGASHI

Born September 1965

Dean, Nagoya University Graduate School of Law

Takahiko TAKAYAMA

Born July 1966

Partner at TMI Associates (attorney at law)

Sayoko IZUMOTO

Born July 1953

Outside Director, the Company

Representative, Izumoto Certified Public Accountant Office

External Audit and Supervisory Board Member, Freund Corporation

Outside Director, NSK Ltd.

Takashi NAKAMURA

Born June 1956

Outside Director, the Company

Akihiko HASHIMOTO

Born August 1959

Outside Director, the Company