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Notice Regarding Continuation of Policy on Large-Scale Purchases of Company Shares (Policy on Responses to Acquisition)

May 15, 2026

To Whom It May Concern:

Company name: Shinagawa Refra Co., Ltd.
Representative: Hiroyuki Fujiwara, President and CEO
(Code Number: 5351, TSE Prime and SSE)
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The Company introduced a policy on large-scale purchases of company shares, etc. (policy on responses to acquisition) based on the resolution of the Company's Board of Directors meeting dated May 15, 2008, and the resolution of the Company's 174th Ordinary General Meeting of Shareholders dated June 27, 2008. Most recently, based on the resolution of the Company's 189th Ordinary General Meeting of Shareholders dated June 29, 2023, the Company continued the policy on large-scale purchases of company shares (policy on responses to acquisition) (hereinafter referred to as the "Current Policy"). The effective period of this policy extends until the conclusion of the Company's 192nd Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2026 (hereinafter referred to as "this Ordinary General Meeting of Shareholders").

We hereby announce that at the Board of Directors meeting held today, with the unanimous approval of all directors including four outside directors, the Company resolved to continue the Current Policy with partial amendments (the amended policy hereinafter referred to as "this Policy"), subject to approval by shareholders at this Ordinary General Meeting of Shareholders, and to submit a proposal for approval of the continuation of this Policy to this Ordinary General Meeting of Shareholders. There has been no change to the basic framework of this Policy.

Additionally, as of today, the Company has not received any proposals or similar communications regarding large-scale purchases of Company shares. The status of major shareholders of the Company as of March 31, 2026 is as shown in Exhibit 4.

I. Basic Policy Regarding Persons Who Control Decisions on the Company's Financial and Business Policies

The Company's Board of Directors believes that, as a listed company that permits free trading of its shares, the decision of whether to sell Company shares in response to a large-scale purchase by a specific party should ultimately be left to the judgment of shareholders who hold Company shares.

However, in the management of the Company, which provides optimal solutions to customers through ceramics technology, it is essential to understand the tangible and intangible management resources of the Company Group, the potential effects of forward-looking measures, the social mission entrusted to the Company Group, and the elements that constitute the corporate value of the Company Group and, consequently, the common interests of shareholders. To continuously maintain and improve these, we believe that management initiatives with a medium- to long-term perspective are essential, centered on the sources of the Company Group's corporate value: (1) abundant know-how and technological development capabilities accumulated through tradition, (2) domestic and overseas bases that enable the development and provision of high-quality products, (3) trust relationships with stakeholders built over many years, and (4) promoting sustainability management including coexistence with local communities and environmental conservation efforts. If such medium- to long-term measures are not implemented by those who control decisions on the Company's financial and business policies, the corporate value of the Company Group, and consequently the common interests of shareholders and the interests of all stakeholders related to the Company Group, may be damaged. In particular, since the Company Group's products and services support part of the operations of our customers in key industries, if significant changes occur in the Company Group's business activities and business strategies, situations that could disrupt customer operations are anticipated, and in such cases, the social impact could be substantial.

Although the Company strives to conduct IR activities to help shareholders and investors understand the appropriate value of Company shares, when a sudden large-scale purchase is made, it is essential that appropriate and sufficient information be provided by both the acquirer and the Company's Board of Directors in order for shareholders to properly judge within a short period whether the large-scale purchase by the acquirer is appropriate, including whether the acquisition consideration for Company shares offered by the acquirer is reasonable. Furthermore, for shareholders considering continued holding of Company shares, information such as the impact of such purchase on the Company Group, the management policies and business plan details when the acquirer participates in managing the Company Group, and the opinion of the Company's Board of Directors on such purchase are considered important factors for consideration when examining whether to continue holding Company shares.

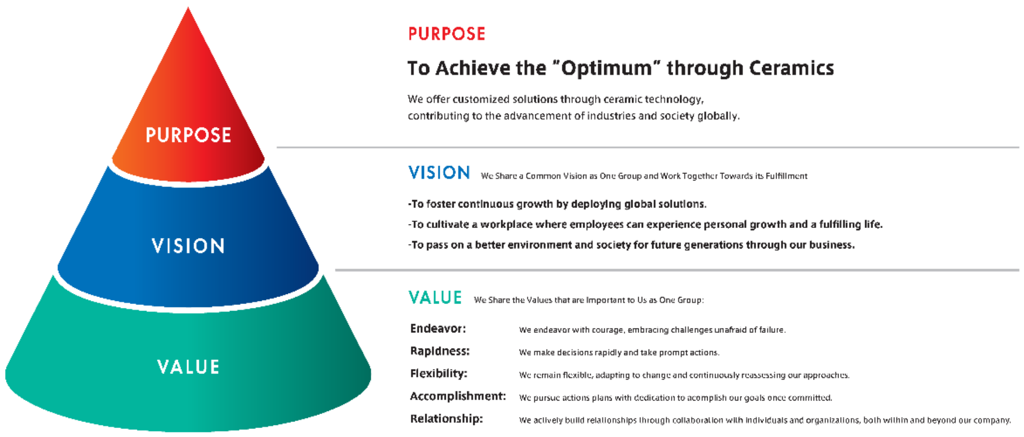
As a result of considering the above, the Company believes that acquirers intending to make large-scale purchases must, for the judgment of shareholders, provide necessary and sufficient information regarding the purchase to the Company's Board of Directors in advance in accordance with certain rules established and disclosed in advance by the Company (for details, see III 3.; hereinafter referred to as the "Large-Scale Purchase Rules"), and may commence such purchase only after a certain evaluation period for the Company's Board of Directors has elapsed and the Company's Board of Directors or shareholders' meeting has resolved on whether to invoke countermeasures.

In addition, certain large-scale purchase actions may significantly impair the Company’s corporate value and, consequently, the common interests of shareholders (for details, please refer to III. 4.(1)(b) through (g)). The Company believes that it is necessary for the Company's Board of Directors meeting to take measures deemed appropriate in accordance with this Policy against such large-scale purchases in order to protect corporate value and, consequently, the common interests of shareholders. (The above basic policy regarding persons who control decisions on the Company's financial and business policies is hereinafter referred to as the "Basic Policy on Corporate Control".)

II. Special Measures Contributing to the Effective Utilization of the Company’s Assets, the Establishment of an Appropriate Corporate Group Structure, and the Realization of the Company’s Basic Policy Regarding Control of the Company

1. Corporate Philosophy and Sources of Corporate Value of the Company Group

Since 1875 (Meiji 8), when the Company became the first in Japan to begin full-scale production of refractory bricks, it has accurately responded to the demands of key industries of the time, starting with the iron and steel industry, and has played a role as a foundation for industrial development. In October 2025, coinciding with the 150th anniversary of our founding, we changed our company name to "SHINAGAWA REFRA CO., LTD." and made a new start toward the next 50 and 100 years. Along with this, the Company Group formulated a new corporate philosophy. The new corporate philosophy clarifies the core business domain of the Company Group and serves as a guideline for future business development. Based on this corporate philosophy, we will continue to innovate and take on challenges as a unified group, aiming for sustainable growth and maximization of corporate value to meet your expectations.



We believe that the sources of corporate value of the Company Group lie in (1) abundant know-how and technological development capabilities accumulated through tradition, (2) domestic and overseas bases that enable the development and provision of high-quality products, (3) trust relationships with stakeholders built over many years, and (4) promoting sustainability management including coexistence with local communities and environmental conservation efforts.

(1) Abundant Know-how and Technological Development Capabilities Accumulated through Tradition

The Company Group's strength lies in comprehensive technological capabilities based on experience and know-how accumulated since its founding, namely comprehensive engineering technology that supports the world of high temperatures, including the development and manufacturing of refractories, insulation materials, and fine ceramics, as well as the design and construction of all types of industrial furnaces. In particular, the comprehensive technological capabilities in our core businesses of refractories, insulation materials, advanced equipment, and engineering are founded on the experience and know-how possessed by individual employees.

Additionally, technological innovation is progressing rapidly with the times. The abundant know-how and technological development capabilities accumulated over the Company Group's 150-year tradition have expanded into further application fields, and in recent years, we have commercialized numerous products that accurately meet the needs of the times, such as maximizing support for the production of advanced high-value-added products including automotive steel sheets, specialty alloys, and high-performance glass.

(2) Domestic and Overseas Bases that Enable the Development and Provision of High-Quality Products

The Company Group supports the development of a wide range of key industries from materials industries to energy production and advanced industries through ceramics technology. We maintain a research and development system centered on our Technology Research Institute, which is responsible for basic research and applied technology development to maintain and improve this technological capability. In terms of production, strengthening comprehensive technological capabilities to meet diverse customer needs such as stable quality, excellent cost performance, and short delivery times is essential, and we provide world-class high-quality products through manufacturing know-how accumulated at our domestic production bases.

Additionally, the Company Group is accelerating overseas business expansion through aggressive business investment centered on M&A, establishing overseas subsidiaries and affiliates in China, Taiwan, South Korea, Malaysia, Indonesia, India, Australia, New Zealand, the United States, Brazil, Germany, the Netherlands, Italy, and other countries, aiming to realize synergy effects in the global market.

(3) Trust Relationships with Stakeholders Built Over Many Years

The excellent products that comprise the various kilns and furnaces, equipment, and other items provided by the Company Group have been used in the production of many materials and energy that support economic activities and social life, including Iron & Steel, Non-Ferrous metals, glass, Cement, electric power and gas, and ceramics industries. In supporting the foundation of these industries and contributing to the development of Japan's economy, our trust relationships with stakeholders including these customers and business partners have become strong.

Additionally, to accurately respond to the various needs of customers, we have expanded production and sales bases throughout the country, and experienced employees respond to various inquiries ranging from product manufacturing to industrial furnace design and construction, and after-sales service.

Under this system, the Company Group aims to improve customer satisfaction through trusted technologies and various refractories, insulation materials, and advanced equipment products generated from constantly evolving high-temperature technologies.

(4) Promoting Sustainability Management Including Coexistence with Local Communities and Environmental Conservation Efforts

Based on our belief that stably continuing safe and environmentally conscious production activities is the first step toward coexistence with local communities, the Group practices production activities that always prioritize safety as the top priority, and we regard global environmental conservation as one of the important pillars of our corporate activities, actively engaging in environmental conservation activities such as recycling, energy conservation, and waste reduction.

In addition, approximately 70% of CO2 emissions from refractory products occur during raw material production, making reduction a challenge. We have developed "GREEN REFRACTORY" utilizing "green raw materials" that can be considered to have virtually zero CO2 emissions, such as recycled materials from used refractories and by-products from other industries. Furthermore, we also provide refractories that reduce heat loss by utilizing their heat insulation and low thermal conductivity properties, contributing to the reduction of energy consumption and CO_2 emissions in high-temperature processes.

2. Initiatives for Raising Corporate Value

The Group announced "VISION 2030" and the 6th Mid-Term Management Plan (FY2024-FY2026) in May 2024. VISION 2030 targets FY2030 and presents the ideal form of the Group and the basic policies for achieving it from a longer-term perspective, not limited to the conventional three-year span. The basic policy is "Pursuing business growth and resolving social challenges as two sides of the same coin," and we will address various challenges under the major Topic of global business growth, expansion into growth fields, and addressing sustainability. As the first step, we started the 6th Mid-Term Management Plan from FY2024.

"VISION 2030 Basic Policy"

- Pursuing business growth and resolving social challenges as two sides of the same coin -

○ Global Business Growth

・Securing our presence as a member of the top group in the global market

・Development of domestic bases to support global expansion and strengthening of technological development capabilities

○ Entry into Growth Fields

・Expansion of business portfolio in each sector

・Development of business investment and capital investment with ROIC as a key indicator

○ Response to Sustainability (Climate change measures and execution of human capital strategy)

・Providing thermal solutions that contribute to customers' decarbonization

・Establishing a management foundation centered on "talent acquisition," "talent retention," and "human resources and organizational development"

"The 6th Mid-Term Management Plan Priority Policies"

○ Sector Driven Business Expansion ○ Production Optimization in Japan ○ Accelerating Global Expansion

○ Promoting Sustainability Management

As described above, the initiatives for raising corporate value will improve the corporate value of the Group and consequently the benefits for all shareholders. Therefore, we believe that all such initiatives are in line with our basic policy regarding control of the company.

3. Initiatives for Strengthening and Enhancing Corporate Governance

The Group strives to improve corporate value and consequently the shared returns of shareholders by strengthening the management foundation through expanding earnings to meet the expectations and trust of many stakeholders such as shareholders, customers, Business Partners, Local Communities, employees, and Future Generations, while thoroughly maintaining the attitude of being a company that can earn the trust of society. We consider corporate governance to be the foundation for this.

Based on our corporate philosophy, we conduct appropriate corporate operations, and in order to further ensure the trust of all stakeholders, we have worked to strengthen and enhance our corporate governance system and its efficient operation as follows, with a high awareness of compliance, ensuring management transparency, and aiming for fair, efficient, and sound management practices, thereby working to revitalize the Board of Directors meeting and further strengthen its decision-making functions and monitoring and supervision functions.

November 2015: Established the " Basic Corporate Governance Policy"

June 2016: Transitioned to a company with an Audit and Supervisory Committee, with the Audit and Supervisory Committee, in which highly independent outside directors constitute a majority, conducting audits and Supervision

June 2020: Established the secretariat of Audit and Supervisory Committee with 2 dedicated full-time staff members

April 2022: Established the Nomination and Compensation Committee as a voluntary committee. Strengthened the fairness, transparency, and objectivity of procedures related to the nomination and compensation of directors

June 2022: Appointed a female director and increased the number of independent outside directors by one. The composition is 10 directors, including 4 independent outside directors.

June 2024: The number of female directors became 2.

In addition to such system development, the Group believes that enhanced information disclosure plays an effective role in corporate governance, and by disclosing various company information in a timely, appropriate, and proactive manner, we enhance the check function by shareholders and other external parties, thereby increasing management transparency. In 2022, we established the IR and Public Relations Department and are working to further enhance the quantity and quality of disclosed information.

In addition, from FY2023, the Group has adopted a group management structure consisting of four business domains (sectors): "Refractories," "Insulating Materials," "Fine Ceramics (currently 'Advanced Device & Material')," and "Engineering," as the optimal grouping that allows each business to pursue greater specialization. Each sector pursues "individual optimization" through autonomous business operations while maximizing inter-sector synergies toward achieving "overall optimization" as a group through close collaboration between sectors.

Including the enhancement of these initiatives, we intend to continue to further strengthen corporate governance.

We believe that these initiatives for strengthening and enhancing corporate governance will serve as the foundation for promoting the initiatives for raising corporate value described in II 2. and for improving corporate value and consequently the common interests of shareholders. Therefore, we believe that all such initiatives are in line with our basic policy regarding control of the company.

III. Initiatives to Prevent Decision-making Concerning the Company’s Financial and Business Policies from being Controlled by Persons Considered Inappropriate in Light of the Basic Policy Regarding Control of the Company

In light of the basic policy regarding control of the company described in I, the Company requires compliance with certain reasonable rules (Large-Scale Acquisition Rules) as described below when (i) an acquisition of the Company's share certificates, etc. (Note 3) aimed at making the voting rights ratio (Note 2) of a Specified Shareholder Group (Note 1) 20% or more, (ii) an acquisition of the Company's share certificates, etc. that results in the voting rights ratio of a Specified Shareholder Group becoming 20% or more, or (iii) an agreement, etc. with other shareholders of the Company (Note 4) that results in the voting rights ratio of a Specified Shareholder Group becoming 20% or more (in any case, regardless of the specific acquisition method such as market transactions or tender offers, excluding acquisitions and agreements, etc. by persons to whom the Company's Board of Directors meeting has given prior consent) (hereinafter such acquisitions or agreements, etc. are referred to as "Large-Scale Acquisitions," and persons who conduct such acquisitions or agreements, etc. are hereinafter referred to as "Large-Scale Acquirers"), and by establishing certain response policies for cases of compliance and non-compliance, the Company makes this its initiative to prevent decisions on the Company's financial and business policies from being controlled by inappropriate parties in light of the basic policy regarding control of the company.

Note 1: Specified Shareholder Group means,

(i) a holder (including persons deemed to be holders pursuant to Article 27-23, Paragraph 3 of the same Act; the same shall apply hereinafter) of the Company's share certificates, etc. (meaning share certificates, etc. as prescribed in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including Securities representation rights as defined in Article 2, Paragraph 2 of the same Act with respect to these) and its joint holders (meaning joint holders as prescribed in Article 27-23, Paragraph 5 of the same Act, including persons deemed to be joint holders pursuant to Paragraph 6 of the same Article; the same shall apply hereinafter),

(ii) a person who conducts a purchase, etc. (meaning a purchase, etc. as prescribed in Article 27-2, Paragraph 1 of the same Act, including those conducted on an exchange financial instruments market regardless of whether by auction or otherwise) of the Company's share certificates, etc. (meaning share certificates, etc. as prescribed in Article 27-2, Paragraph 1 of the same Act, including Securities representation rights as defined in Article 2, Paragraph 2 of the same Act with respect to these) and its specially related parties (meaning specially related parties as prescribed in Article 27-2, Paragraph 7 of the same Act),

or,

(iii) related parties of the persons in (i) or (ii) above (collectively, the following: (a) investment banks, securities companies, or other financial institutions that have entered into financial advisory agreements with such persons, or other persons that substantially share interests with such persons; (b) tender offer agents, lawyers, accountants, tax accountants, or other advisors of such persons; or (c) persons reasonably determined by the Company's Board of Directors meeting to be substantially controlled by such persons or to act jointly or in concert with such persons (such determination shall be made based on new capital relationships, business alliance relationships, transaction or contractual relationships, concurrent director relationships, funding relationships, credit extension relationships, the status of purchasing the Company's share certificates, etc., the status of exercising voting rights related to the Company's share certificates, etc., the formation of substantial interests related to the Company's share certificates, etc. through derivatives, stock lending, etc., and other direct or indirect facts suggesting communication of intentions, etc.)).) This means.

Note 2: Voting rights ratio means,

(i) in the case where the Specified Shareholder Group falls under (i) of Note 1, the shareholding ratio of share certificates, etc. of such holder (meaning the shareholding ratio of share certificates, etc. as prescribed in Article 27-23, Paragraph 4 of the same Act; in this case, the number of share certificates, etc. held by joint holders of such holder (meaning the number of share certificates, etc. held as prescribed in the same paragraph) shall also be taken into account in the calculation).),

or,

(ii) in the case where the Specified Shareholder Group falls under (ii) of Note 1, the total of the ownership ratio of share certificates, etc. (meaning the ownership ratio of share certificates, etc. as prescribed in Article 27-2, Paragraph 8 of the same Act) of such Large-Scale Acquirer and such specially related parties.

In calculating such shareholding ratio of share certificates, etc. or ownership ratio of share certificates, etc., (a) specially related parties or joint holders of a certain shareholder of the

Company (hereinafter referred to as the "Original Shareholder" in this Note 2), and (b) related parties of the Original Shareholder or the persons in (a) above shall be deemed to be joint holders or specially related parties of the Original Shareholder under this Response Policy. The same shall apply hereinafter. In calculating the Ratio of Share Certificates, etc. Held and the Ratio of Share Certificates, etc. Owned, the total number of voting rights (as defined in Article 27-2, Paragraph 8 of the Act) and the total number of issued shares (as defined in Article 27-23, Paragraph 4 of the Act) may be referenced from the most recently filed securities report, quarterly report, or report on the status of treasury stock purchases.

Note 3: Share certificates, etc. means share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, and includes rights represented by securities as defined in Article 2, Paragraph 2 of the same Act.

Note 4: This refers to an act conducted by a shareholder of the Company (hereinafter referred to as the "Initial Shareholder" in this Note 4) with other shareholders of the Company (including cases where there are multiple other shareholders; the same shall apply hereinafter in this Note 4), where such act results in an agreement or other act that causes such other shareholders to become joint holders of the Initial Shareholder, or an act that the Company's Board of Directors meeting reasonably determined to be an act that establishes a relationship in which one party substantially controls the other or in which such parties act jointly or in concert with each other (such determination shall be made based on new investment relationships, business alliance relationships, transaction or contractual relationships, concurrent officer positions, funding relationships, credit extension relationships, the status of purchases of the Company's share certificates, etc., the status of voting rights exercise related to the Company's share certificates, etc., the formation of substantial interests related to the Company's share certificates, etc. through derivatives or stock lending, and other direct or indirect facts suggesting communication of intent).

1. Necessity of Continuing this Policy

As stated in Section I, the Company believes that a Large-Scale Acquirer should, prior to commencing a Large-Scale Acquisition, provide the Company's Board of Directors meeting with necessary and sufficient information regarding the Large-Scale Acquisition in accordance with the Large-Scale Acquisition Rules established and disclosed in advance by the Company for the judgment of shareholders, and should commence such Large-Scale Acquisition only after a certain evaluation period for the Company's Board of Directors meeting has elapsed and the Company's Board of Directors meeting or the General Meeting of Shareholders has resolved on whether to invoke countermeasures.

After such information is provided, the Company's Board of Directors meeting and the Independent Committee shall each promptly commence consideration of their respective opinions as the Company's Board of Directors meeting and as the Independent Committee regarding the Large-Scale Acquisition, and, after careful deliberation with advice from financial advisors, certified public accountants, attorneys, consultants, and other experts (hereinafter referred to as "External Experts, etc."), form their opinions and disclose them as necessary. Furthermore, if deemed necessary, the Company's Board of Directors meeting will also negotiate for improvements to the Large-Scale Acquirer's proposal and present alternative proposals to shareholders as the Company's Board of Directors meeting. Through this process, the Company's shareholders will be able to consider the Large-Scale Acquirer's proposal and (if presented) the alternative proposal while referring to the opinion of the Company's Board of Directors, thereby obtaining an opportunity to appropriately make a final decision on whether to accept or reject the proposal.

Additionally, we have established certain response policies for cases where the Large-Scale Acquisition Rules are complied with and cases where they are not complied with, and have decided to continue this Policy as a measure to address Large-Scale Acquisitions conducted by parties deemed inappropriate in light of the Basic Policy on Company Control.

As of March 31, 2026, JFE Steel Corporation, the Company's largest shareholder, holds 34.9% of the Company's shares. The Company and JFE Steel Corporation make independent decisions regarding financial and business policies; however, JFE Steel Corporation has established a friendly relationship with the Company as a stable shareholder and is not subject to this Policy. On the other hand, the

Company has no other prominent major shareholders, and the Company's shares are widely dispersed among institutional investors, financial institutions, individuals, and others. Therefore, we believe that if a Large-Scale Acquisition is conducted in the future that would significantly harm the Company's corporate value and consequently the common interests of shareholders, it is necessary to secure necessary and sufficient information and time for consideration for shareholders to examine the terms, methods, and other aspects of such Large-Scale Acquisition, and for the Company's Board of Directors to prepare opinions and alternative proposals.

2. Establishment of Independent Committee

An Independent Committee shall be established as an advisory body to properly operate this Policy and to prevent arbitrary decisions by the Company's Board of Directors. The Independent Committee shall consist of three or more members, and in order to enable fair and neutral judgment, members shall be selected from among the Company's outside directors and outside experts (Note 5) who are independent from the management executives who execute the Company's business. The names and brief biographies of the Independent Committee members at the time of continuation of this Response Policy are as stated in Exhibit 3. Additionally, an overview of the Independent Committee is provided in Exhibit 2.

Under this Response Policy, objective requirements for invoking countermeasures have been established such that, as described in III 4.(1) below, countermeasures against the Large-Scale Acquisition will not be invoked in principle if the Large-Scale Acquirer complies with the Large-Scale Acquisition Rules, and as described in III 4.(2) below, countermeasures may be invoked if the Large-Scale Acquirer does not comply with the Large-Scale Acquisition Rules. Additionally, regarding the judgment of whether a Large-Scale Acquisition constitutes a case that significantly harms corporate value and consequently the common interests of shareholders (please refer to III 4.(1) below),), the judgment of whether the Large-Scale Acquisition Rules have been complied with (please refer to III 4.(2) below), and the judgment of whether to invoke, not invoke, suspend, or modify countermeasures (please refer to III 4. below), the Independent Committee shall be consulted for all important decisions related to this Response Policy, and the Company's Board of Directors shall give maximum respect to its recommendations.

The Independent Committee may, as necessary, obtain advice from External Experts, etc. who are independent from the Company's Board of Directors and the Independent Committee. The Company shall bear all costs incurred in obtaining such advice, except in exceptional cases where such costs are deemed particularly unreasonable.

Resolutions of the Independent Committee shall, in principle, be made by a majority vote with all members in attendance. However, if there are unavoidable circumstances preventing all Independent Committee members from attending, resolutions shall be made by a majority vote of those present, provided that a majority of the Independent Committee members are in attendance.

Note 5: Outside experts shall be selected from among corporate managers with extensive management experience, persons well-versed in investment banking, attorneys, certified public accountants, academic experts whose primary research focus is corporate law and related fields, or persons equivalent thereto.

3. Content of the Large-Scale Acquisition Rules

(1) Provision of Information

The Large-Scale Acquisition Rules established by the Company require that: (i) the Large-Scale Acquirer provides the Company's Board of Directors meeting with necessary and sufficient information regarding the Large-Scale Acquisition in advance; (ii) a certain evaluation period for the Company's Board of Directors meeting has elapsed; and (iii) the Large-Scale Acquisition is commenced only after the Company's Board of Directors meeting or the General Meeting of Shareholders has resolved on whether to invoke countermeasures.

Specifically, the Large-Scale Acquirer shall first submit to the Company's Representative Director a "Letter of Intent" stating its intention to comply with the Large-Scale Acquisition Rules, clearly indicating the Large-Scale Acquirer's name, address, governing law of incorporation, representative's name, domestic contact information, and an outline of the proposed Large-Scale Acquisition, and then provide the Company's Board of Directors meeting with necessary and sufficient information (hereinafter referred to as the "Required Information") for the judgment of the Company's shareholders and for the formation of opinions by the Company's Board of Directors meeting and Independent Committee.

The Company's Board of Directors shall deliver to the Large-Scale Acquirer a list of the Required Information to be initially provided by the Large-Scale Acquirer within 10 business days after receipt of the Letter of Intent. If, as a result of examining the information initially provided, it is deemed insufficient, the Company's Board of Directors shall request the Large-Scale Acquirer to provide additional information until the Required Information is complete. The Company's Board of Directors shall promptly provide the Required Information received from the Large-Scale Acquirer to the Independent Committee.

The specific content of the Required Information varies depending on the attributes of the Large-Scale Acquirer and the purpose and content of the Large-Scale Acquisition, but some general items are as follows:

(i) The Large-Scale Acquirer and its group (including joint holders, specially related parties, and related parties (and in the case of a fund, each partner and other members)).) overview (including information regarding the Large-Scale Acquirer's business content, capital structure, experience in businesses similar to those of the Company Group, etc.)

(ii) All securities issued by the Company held by the Large-Scale Acquirer, the status of all transactions involving the Company's securities conducted by the Large-Scale Acquirer during the past 60 days (including the nature of transactions, price, place and method of transactions, and counterparties), and all contracts, arrangements, and agreements entered into by the Large-Scale Acquirer regarding the Company's securities (including oral agreements, regardless of their enforceability).

(iii) The purpose and content of the Large-Scale Acquisition (including the amount and type of consideration for the acquisition, timing of the acquisition, structure of related transactions, legality of the acquisition method, feasibility of the acquisition and related transactions, etc.).

(iv) The presence or absence of communication of intent with third parties in connection with the Large-Scale Acquisition (including communication of intent regarding conducting material proposal activities, etc. as defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act toward the Company; the same shall apply hereinafter), and if such communication of intent exists, its specific form and content.

(v) The basis for calculating the acquisition consideration for the Company's shares and the backing for acquisition funds (including the specific names of fund providers (including substantial providers), methods of procurement, and details of related transactions).)

(vi) Management candidates expected after participating in the management of the Company Group (including information regarding experience in businesses similar to those of the Company Group), management policies, business plans, financial plans, capital policies, dividend policies, asset utilization strategies, etc. (hereinafter referred to as "Post-Acquisition Management Policies, etc.").

(vii) The presence or absence of planned changes and their content regarding the relationships between the Company Group and its stakeholders such as business partners, customers, and employees of the Company Group following the completion of the Large-Scale Acquisition.

(ⅷ) Specific measures to avoid conflicts of interest with other shareholders of the Company

(Ⅸ) Other information the Board of Directors of the Company deems may be reasonably required

The Board of Directors of the Company shall disclose all or part of the fact that a Large-scale Purchase has been proposed and the Required Information provided to the Board of Directors of the Company.

(2) Evaluation Period by the Board of Directors of the Company

Next, the Board of Directors meeting of the Company shall set a period of 60 days (in the case of a tender offer for all shares of the Company with consideration being cash (in Japanese yen) only) or 90 days (in the case of other Large-scale Purchases) after the Large-scale Purchaser has completed providing the Required Information to the Board of Directors meeting of the Company, depending on the level of difficulty in evaluating the Large-scale Purchase, as a period for evaluation, examination, negotiation, opinion formation, and formulation of alternative proposals by the Board of Directors meeting of the Company (hereinafter referred to as the "Board Evaluation Period"). The Board of Directors of the Company shall promptly announce the completion of provision of the Required Information and the date on which the Board Evaluation Period will expire.

During the Board Evaluation Period, the Board of Directors of the Company shall consult with the Independent Committee and, while receiving advice from external experts as necessary, thoroughly evaluate and examine the Required Information provided, give maximum respect to the recommendations from the Independent Committee, and carefully compile and announce the opinion of the Board of Directors of the Company. In addition, the Board of Directors of the Company may, as necessary, negotiate with the Large-scale Purchaser regarding improvements to the conditions of the Large-scale Purchase or present alternative proposals to the shareholders of the Company as the Board of Directors of the Company.

If there are unavoidable circumstances preventing the Board of Directors meeting from reaching a resolution on whether to implement or not implement countermeasures or to convene a general meeting of shareholders within the Board Evaluation Period, due to reasons such as the Independent Committee not having made a recommendation on whether to implement or not implement countermeasures or a recommendation that the question of whether to implement countermeasures should be submitted to a general meeting of shareholders within the Board Evaluation Period, the Board of Directors meeting may extend the Board Evaluation Period by up to 30 days to the extent necessary, based on the recommendation of the Independent Committee. If the Board of Directors of the Company resolves to extend the Board Evaluation Period, the specific period resolved and the reasons why such specific period is required shall be immediately disclosed to shareholders in accordance with applicable laws and regulations and the rules of financial instruments exchanges.

(3) Resolutions by the Board of Directors Meeting of the Company and Holding of General Meeting of Shareholders

The Board of Directors of the Company shall, giving maximum respect to the recommendations of the Independent Committee, make resolutions on whether to implement or not implement countermeasures, to convene a general meeting of shareholders, or other necessary resolutions within the Board Evaluation Period.

In addition, if the Board of Directors of the Company receives a recommendation from the Independent Committee that the matter of whether to implement countermeasures should be submitted to a general meeting of shareholders, or if the Board of Directors of the Company determines that the opinions of shareholders should be reflected after receiving a recommendation from the Independent Committee to implement countermeasures, the Board of Directors of the Company shall, as a general rule, resolve to convene a general meeting of shareholders in order to consult with shareholders on whether to implement countermeasures, and shall hold a general meeting of shareholders within a maximum of 60 days from the date of such resolution.

When such resolutions of the Board of Directors are made, when a general meeting of shareholders is held, and in other such cases, the Company shall disclose information deemed appropriate in a timely and appropriate manner.

4. Response Policy When a Large-scale Purchase is Made

(1) When the Large-scale Purchaser Complies with the Large-scale Purchase Rules

If the Large-scale Purchaser complies with the Large-scale Purchase Rules, the Board of Directors of the Company shall fulfill its accountability to shareholders of the Company by expressing opposing opinions regarding such purchase proposal or presenting alternative proposals, even if the Board of Directors of the Company is opposed to such Large-scale Purchase, and as a general rule, shall not take countermeasures against such Large-scale Purchase. Whether to accept the purchase proposal of the Large-scale Purchaser shall be determined by the shareholders of the Company after considering such purchase proposal and the opinions and alternative proposals presented by the Company regarding such purchase proposal.

However, even if the Large-scale Purchase Rules are complied with, if the Large-scale Purchase is deemed to significantly damage the corporate value of the Company and consequently the common interests of shareholders, the Board of Directors meeting of the Company may take countermeasures permitted by the Companies Act, other laws, and the Articles of Incorporation of the Company, such as the issuance of stock acquisition rights, in order to protect corporate value and consequently the common interests of shareholders (please refer to III 4. (2) below for the specific measures to be taken as countermeasures.). Specifically, where a Large-scale Purchase is found to fall under any of the categories set forth in (a) or (g) below, such purchase shall, as a general rule, be deemed to significantly impair the Company's corporate value and, consequently, the common interests of shareholders. In order to ensure the objectivity and rationality of the judgment when taking such exceptional measures, the Board of Directors meeting of the Company shall examine the specific details of the Large-scale Purchaser and the Large-scale Purchase and the impact of such Large-scale Purchase on corporate value and consequently the common interests of shareholders, based on the Required Information including the post-acquisition management policy provided by the Large-scale Purchaser, while receiving advice from external experts, and shall make its judgment giving maximum respect to the recommendations from the Independent Committee.

In addition, if the Board of Directors of the Company receives a recommendation from the Independent Committee that the matter of whether to implement countermeasures should be submitted to a general meeting of shareholders, or if the Board of Directors of the Company determines that the opinions of shareholders should be reflected after receiving a recommendation from the Independent Committee to implement countermeasures, the Board of Directors of the Company shall, as a general rule, resolve to convene a general meeting of shareholders and may implement countermeasures in accordance with the resolution at such general meeting of shareholders (please refer to III 3. (3) above for the procedures when holding a general meeting of shareholders).).

(a) In case of a Large-scale Purchase that may cause obvious infringement on the corporate value of the Company and consequently the common interests of shareholders, such as the acts listed in ① through ④ below

① Acts of cornering shares and demanding that the company purchase such shares at a high price

② Acts of temporarily controlling the company and conducting management that realizes the interests of the acquirer at the expense of the company, such as acquiring important assets of the company at a low price

③ Acts of diverting the company's assets as collateral or repayment resources for the debts of the acquirer or its group companies

④ Acts of temporarily controlling the company's management and disposing of high-value assets not immediately related to the company's business, causing temporary high dividends with such disposal profits, or selling off at high prices taking advantage of the opportunity of a sharp rise in stock prices due to temporary high dividends

(b) In case of a Large-scale Purchase that may effectively coerce shareholders into selling their shares, such as a coercive two-tiered acquisition (meaning a stock purchase through a tender offer in which the conditions for the second tier are set less favorably than those for the first tier, or in which the conditions for the second tier are not clearly specified)

(c) In case where the acquisition of control by the Large-scale Purchaser damages the interests of stakeholders such as business partners, customers, and employees, thereby significantly damaging the corporate value of the Company Group and consequently the common interests of shareholders

(d) In case of a Large-scale Purchase where the conditions of the Large-scale Purchase (including the type and amount of consideration, the timing of the Large-scale Purchase, the legality of the purchase method, the policy for dealing with stakeholders such as business partners, customers, and employees of the Company Group after the Large-scale Purchase) are significantly insufficient or inappropriate in view of the intrinsic value of the Company Group

(e) In case of a Large-scale Purchase that may cause a material risk of damaging the corporate value of the Company Group and consequently the common interests of shareholders by destroying the relationships with business partners, customers, employees, etc. of the Company Group that are indispensable for creating the corporate value of the Company Group, or the corporate culture of the Company Group

(f) In case where it is judged with reasonable grounds that the Large-scale Purchaser is inappropriate as a controlling shareholder of the Company from the viewpoint of public order and morals, such as when the management, major shareholders, or investors of the Large-scale Purchaser include persons having relationships with antisocial forces

(g) (a) Other through (f) in cases equivalent to the above, where it is judged that the corporate value of the Company Group and consequently the common interests of shareholders would be significantly damaged

(2) When the Large-scale Purchaser Does Not Comply with the Large-scale Purchase Rules

If the Large-scale Purchase Rules are not complied with by the Large-scale Purchaser, regardless of the specific method of purchase, the Board of Directors meeting of the Company may take countermeasures permitted by the Companies Act, other laws, and the Articles of Incorporation of the Company, such as the issuance of stock acquisition rights, for the purpose of protecting corporate value and consequently the common interests of shareholders, and may counter the Large-scale Purchase. Whether the Large-scale Purchaser has complied with the Large-scale Purchase Rules and the appropriateness of implementing countermeasures shall be determined by the Board of Directors meeting of the Company, taking into account the opinions of external experts and giving maximum respect to the recommendations of the Independent Committee.

The specific measures to be taken shall be those that the Board of Directors meeting of the Company judges to be most appropriate at that time. For example, the outline of the gratis allotment of stock acquisition rights as a countermeasure is as described in Exhibit 1, but when actually issuing stock acquisition rights, the Company may determine the exercise period and exercise conditions in consideration of the effectiveness thereof as a countermeasure, such as the condition that shareholders do not belong to a specific group of shareholders holding voting rights at or above a certain percentage.

(3) Regarding the Suspension of Countermeasures, etc.

After the Board of Directors of the Company has decided to implement countermeasures, if the Board of Directors of the Company determines that the implementation of countermeasures is not appropriate, such as when the Large-scale Purchaser withdraws or changes the Large-scale Purchase, the Board of Directors of the Company may, giving maximum respect to the recommendations of the Independent Committee, suspend or change the implementation of countermeasures.

For example, in the case of a gratis allotment of stock acquisition rights as a countermeasure, if, after the shareholders entitled to receive the allotment of stock acquisition rights have been determined, the Board of Directors meeting of the Company determines that it is not appropriate to implement countermeasures due to circumstances such as the Large-scale Purchaser withdrawing or changing the Large-scale Purchase, the implementation of countermeasures may be discontinued or suspended as follows.

① Until the effective date of the gratis allotment of such stock acquisition rights, the gratis allotment of stock acquisition rights shall be discontinued, giving maximum respect to the recommendations of the Independent Committee.

② After the gratis allotment of share subscription rights becomes effective, until the commencement of the exercise period, the Company shall acquire such share subscription rights without consideration, giving maximum respect to the recommendations of the Independent Committee.

In the event of suspension of countermeasures or other such actions, prompt disclosure of information shall be made together with matters deemed necessary by the Independent Committee.

5. Impact on Shareholders and Investors, etc.

(1) Impact on Shareholders and Investors upon Continuation of this Policy

At the time of continuation of this Policy, the gratis allotment of share subscription rights and other countermeasures will not be implemented, and therefore there will be no direct specific impact on shareholders and investors.

(2) Impact on Shareholders and Investors upon Implementation of Countermeasures

In cases where a Large-Scale Acquirer fails to comply with the Large-Scale Acquisition Rules, the Board of Directors may, for the purpose of protecting corporate value and the common interests of shareholders, take countermeasures permitted under the Companies Act and other laws and the Company's Articles of Incorporation, based on a resolution of the Board of Directors or a resolution of the shareholders meeting; however, due to the structure of the countermeasures, we do not anticipate any situation in which our shareholders (excluding the Large-Scale Acquirer conducting the Large-Scale Acquisition that is subject to the countermeasures) would suffer any special loss in terms of legal rights or economic aspects. If the Board of Directors meeting decides to implement specific countermeasures, timely and appropriate disclosure will be made in accordance with laws and regulations and the rules of financial instruments exchanges.

In the event that a gratis allotment of share subscription rights is implemented as a countermeasure, shareholders will be required to pay a certain amount within the prescribed period in order to acquire new shares through the exercise of the share subscription rights. In addition, if the Board of Directors meeting decides to acquire the share subscription rights, new shares may be delivered to shareholders as consideration for the Company's acquisition of the share subscription rights without payment of an amount equivalent to the exercise price. Details of such procedures will be separately announced in accordance with laws and regulations when the decision is made to actually issue stock acquisition rights.

If, upon receiving a recommendation from the Independent Committee, the Board of Directors meeting decides to cancel the issuance of such share subscription rights or acquire the issued share subscription rights without consideration, no dilution of per-share value will occur; therefore, shareholders or investors who traded on the assumption that dilution of the value of the Company's shares would occur after the ex-rights date for the gratis allotment of share subscription rights may suffer unexpected losses due to fluctuations in the share price.

6. Commencement and Expiration of this Policy

This Policy shall become effective from the date of approval, subject to the approval of shareholders at this Ordinary General Meeting of Shareholders. The expiration date shall be until the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within three years from the date of such approval, and thereafter, any renewal of this Policy (including continuation with partial amendments) shall be subject to approval at the Company's shareholders meeting.

However, even during the effective period of this Policy, if a resolution to abolish this Policy is passed at the Company's shareholders meeting, or if the Board of Directors passes a resolution to abolish this Policy after giving maximum respect to the recommendations of the Independent Committee, this Policy shall be abolished as of the time of such resolution. In such case, the Company shall promptly disclose the fact of such abolition.

In addition, even during the effective period of this Policy, from the perspective of enhancing corporate value and the common interests of shareholders, reviews may be conducted from time to time in light of the development of relevant laws and regulations and the listing system established by financial instruments exchanges, and this Policy may be amended with maximum respect given to the recommendations of the Independent Committee. In such case as well, the Company shall promptly disclose the details of such amendments.

7. Amendments Due to Laws and Regulations

The provisions of laws and regulations cited in this Policy are based on the provisions in effect as of May 15, 2026, and if, after that date, modifications to the provisions or the meaning of terms set forth in the above sections become necessary due to the establishment or amendment or abolition of laws and regulations, the provisions or the meaning of terms set forth in the above sections may be appropriately interpreted within a reasonable scope, taking into consideration the purpose of such establishment or amendment or abolition.

IV. Reasons Why this Response Policy is Consistent with the Basic Policy Regarding Control of the Company, Does Not Impair the Common Interests of Shareholders, and Is Not Intended to Maintain the Positions of the Company’s Officers

1. This Policy Satisfies the Requirements of the Guidelines on Policy on Responses to Acquisition

This Policy satisfies the three principles (the principle of ensuring and enhancing corporate value and the common interests of shareholders, the principle of prior disclosure and shareholder intent, and the principle of ensuring necessity and reasonableness) set forth in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

In addition, this Policy takes into account the content of the report "Takeover Defense Measures in Light of Recent Changes in Various Circumstances" released on June 30, 2008 by the Corporate Value Study Group established within the Ministry of Economy, Trade and Industry. Furthermore, this Policy takes into consideration the provisions of "Principle 1-5. So-called Takeover Defense Measures" in the "Corporate Governance Code (last revised on June 11, 2021)" implemented by the Tokyo Stock Exchange in June 2015.

2. This Policy is in Accordance with the Basic Policy on Corporate Control

This Policy sets forth the content of the Large-Scale Acquisition Rules, the response policy in the event a Large-Scale Acquisition is conducted, the establishment of the Independent Committee, and the impact on shareholders and investors.

This Policy requires that a Large-Scale Acquirer provide the Board of Directors meeting with necessary and sufficient information regarding the Large-Scale Acquisition in advance, and that the Large-Scale Acquisition be commenced only after a certain evaluation period for the Board of Directors meeting has elapsed and the Board of Directors meeting or the shareholders meeting has resolved on whether to implement countermeasures, and clearly states that the Board of Directors meeting may implement countermeasures against a Large-Scale Acquirer who fails to comply with these requirements in order to protect corporate value and the common interests of shareholders.

It also clearly states that even if the Large-Scale Acquisition Rules are complied with, if the Board of Directors meeting determines that the Large-Scale Acquisition by the Large-Scale Acquirer would significantly impair corporate value and the common interests of shareholders, the Board of Directors meeting may implement countermeasures it deems appropriate to protect corporate value and the common interests of shareholders against such Large-Scale Acquirer, and that countermeasures will be implemented when the implementation of countermeasures is approved at the shareholders meeting.

As such, this Policy can be said to be designed in accordance with the concept of the basic policy on corporate control.

3. This Policy does not Impair the Common Interests of the Company's Shareholders

As stated in I, the basic policy on corporate control is premised on respecting corporate value and the common interests of shareholders. This Policy is designed in accordance with the concept of the basic policy on corporate control, and is intended to guarantee the provision of information and opinions of the Board of Directors necessary for our shareholders to make decisions on whether to accept a Large-Scale Acquisition, and the opportunity to receive alternative proposals. Through this Policy, our shareholders and investors will be able to make appropriate investment decisions, and therefore we believe that this Policy does not impair corporate value and the common interests of shareholders, but rather contributes to corporate value and the common interests of shareholders. Furthermore, the fact that the continuation of this Policy is subject to the approval of our shareholders and that the abolition of this Policy is possible if our shareholders so desire is considered to guarantee that this Policy does not impair corporate value and the common interests of shareholders.

4. This Policy is not Intended to Maintain the Positions of the Company's Officers

This Policy is based on the fundamental principle that the decision on whether to accept a Large-Scale Acquisition should ultimately be left to the judgment of our shareholders, while requesting compliance with the Large-Scale Acquisition Rules and implementing countermeasures to the extent necessary to protect corporate value and the common interests of shareholders. This Policy discloses in advance and in detail the cases in which the Board of Directors meeting will implement countermeasures, and the implementation of countermeasures by the Board of Directors meeting will be conducted in accordance with the provisions of this Policy. The Board of Directors cannot unilaterally continue this Policy and requires the approval of our shareholders.

In addition, when the Board of Directors evaluates and examines a Large-Scale Acquisition, compiles opinions as the Board of Directors, presents alternative proposals, negotiates with a Large-Scale Acquirer, or implements countermeasures, it shall obtain advice from external experts and consult with the Independent Committee, which is composed of members independent from the management that executes the Company's business, and give maximum respect to the recommendations of such committee.

Furthermore, this Policy can be abolished at any time by the Board of Directors, which is composed of directors elected at the Company's shareholders meeting, so a Large-Scale Acquirer can abolish this Policy by a resolution of the Board of Directors composed of directors nominated by such acquirer and elected at the shareholders meeting.

As such, this Policy includes procedures to ensure proper operation by the Board of Directors meeting.

Based on the above, we believe it is clear that this Policy is not intended to maintain the positions of the Company's officers.

Exhibit 1

Summary of Share Subscription Rights

1. Shareholders Eligible for the Granting of Share Subscription Rights and Issuance Conditions

Share subscription rights shall be allotted to shareholders recorded in the final shareholder register as of the record date determined by the Board of Directors meeting, at a ratio of one share subscription right per share of the Company's common stock held by such shareholders (excluding the Company's common stock held by the Company), without requiring any new payment.

2. Type and Number of Shares Subject to the Share Subscription Rights

The type of shares subject to the share subscription rights shall be the Company's common stock, and the total number of shares subject to the share subscription rights shall be limited to the number of shares obtained by deducting the total number of issued shares of the Company's common stock (excluding the Company's common stock held by the Company) from the total number of authorized shares of the Company as of the date determined by the Board of Directors meeting as the record date. The number of shares subject to each stock acquisition right (hereinafter referred to as the "Number of Target Shares") shall be determined separately by the Company's Board of Directors meeting. However, if the Company conducts a stock split or stock consolidation, necessary adjustments shall be made.

3. Total Number of Stock Acquisition Rights to be Issued

The total number of stock acquisition rights to be issued shall be determined separately by the Company's Board of Directors meeting.

4. Value of Assets to be Contributed upon Exercise of Each Stock Acquisition Right (Amount to be Paid In)

The value of assets to be contributed upon exercise of each stock acquisition right (amount to be paid in) shall be an amount of 1 yen or more as determined by the Company's Board of Directors meeting.

5. Restriction on Transfer of Stock Acquisition Rights

Acquisition of stock acquisition rights through transfer shall require the approval of the Company's Board of Directors.

6. Conditions for Exercise of Stock Acquisition Rights

Persons belonging to a Specified Shareholder Group with a voting rights ratio of 20% or more (excluding those who have received prior consent from the Company's Board of Directors) shall, in principle, not be permitted to exercise the stock acquisition rights. In addition, persons located in jurisdictions where applicable foreign laws require certain procedures for the exercise of stock acquisition rights shall, in principle, not be permitted to exercise the stock acquisition rights (however, certain persons, such as those who can utilize exemption provisions under applicable foreign laws, may exercise the rights, and the stock acquisition rights held by such persons shall also be subject to acquisition by the Company in exchange for shares of the Company as described in 8. below). Furthermore, persons who do not submit a written document in the form prescribed by the Company confirming that they do not belong to a Specified Shareholder Group (excluding those from whom the Company did not request submission of such document) shall not be permitted to exercise the stock acquisition rights. Details shall be determined separately by the Company's Board of Directors.

7. Period for Exercise of Stock Acquisition Rights

The first day shall be the date separately determined by the Company's Board of Directors meeting in the resolution for the gratis allotment of stock acquisition rights (hereinafter, the first day of such exercise period shall be referred to as the "Exercise Period Commencement Date"), and the period shall be separately determined by the Company's Board of Directors meeting in the resolution for the gratis allotment of stock acquisition rights within a range of one month to three months. If the last day of the exercise period falls on a non-business day of the payment handling location for the money to be paid upon exercise, the last business day prior thereto shall be the last day.

8. Acquisition of Stock Acquisition Rights by the Company

① The Company may, at any time until the day before the Exercise Period Commencement Date, acquire all stock acquisition rights without consideration on the date separately determined by the Company's Board of Directors meeting, if the Company's Board of Directors meeting determines that it is appropriate for the Company to acquire the stock acquisition rights.

② The Company may, on the date separately determined by the Company's Board of Directors, acquire all unexercised stock acquisition rights held by persons other than those belonging to a Specified Shareholder Group and those who have not submitted a written document in the form prescribed by the Company confirming that they do not belong to a Specified Shareholder Group by the date of acquisition (excluding those from whom the Company did not request submission of such document), which remain unexercised as of the day before the date determined by the Company's Board of Directors, and in exchange therefor, deliver shares of the Company equal to the Number of Target Shares per stock acquisition right.

In addition, if the Company's Board of Directors meeting determines that there are persons holding stock acquisition rights who do not belong to a Specified Shareholder Group after the date of such acquisition (provided that in making such determination, the Company may request the submission of a written document in the form prescribed by the Company as set forth in the first paragraph of 8.(2)), the Company may, on a date separately determined by the Company's Board of Directors meeting after the date of the above acquisition, acquire all unexercised stock acquisition rights held by such persons which remain unexercised as of the day before the date determined by the Company's Board of Directors meeting, and in exchange therefor, deliver shares of the Company equal to the Number of Target Shares per stock acquisition right, and the same shall apply thereafter.

③ Details of the acquisition provisions shall be determined separately by the Company's Board of Directors.

Exhibit 2

Overview of the Independent Committee

1. Setup

The Independent Committee shall be established by a resolution of the Company's Board of Directors.

2. Members

The Committee shall consist of three or more members appointed by the Company's Board of Directors who are independent from the management executing business operations of the Company, including outside directors of the Company, outside directors serving as Audit and Supervisory Committee members, experienced corporate executives, persons with expertise in investment banking, attorneys, certified public accountants, academics whose primary research focuses on the Companies Act and related matters, or persons equivalent thereto. The members at the time of continuation of this Policy shall be the following four persons: Mr. Shigeru Nakajima, Ms. Keiko Yamahira, Mr. Masafumi Nagano, and Ms. Chizuko Urabe.

3. Term of Office

The term of office of the Independent Committee members shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last business year which ends within three years from the conclusion of this Ordinary General Meeting of Shareholders. However, this shall not apply to cases where any other clause is stipulated by a resolution of the Board of Directors. In addition, if an Independent Committee member who was an outside director or outside director serving as an Audit and Supervisory Committee member of the Company ceases to be a director or director serving as an Audit and Supervisory Committee member (except in cases of reappointment), their term of office as an Independent Committee member shall also terminate simultaneously.

If a vacancy occurs among the Independent Committee members, a new member shall be appointed by a resolution of the Company's Board of Directors from among those who meet the appointment requirements set forth in 2. above. The term of office of a newly appointed member shall be the same as the remaining term of the original member who vacated the position.

4. Requirements for Resolution

Resolutions of the Independent Committee shall, in principle, be made with the attendance of all current Independent Committee members and by a majority thereof. However, if there are unavoidable circumstances preventing full attendance of all Independent Committee members, resolutions of the Independent Committee shall be made with the attendance of a majority of the Independent Committee members and by a majority thereof.

If a resolution of the Independent Committee cannot be adopted due to a tie vote, a report shall be made to the Company's Board of Directors to the effect that the resolution was not adopted.

5. Matters for Resolution and Others

When consulted by the Company's Board of Directors, the Independent Committee shall, in principle, make decisions on the matters set forth in each of the following items and recommend the content of such decisions to the Company's Board of Directors with the reasons therefor. Each Committee member must conduct his/her decision making from the viewpoint of whether his/her judgment would contribute to enhancing corporate value and, ultimately, the common interests of shareholders, and must not do so for the sole purpose of pursuing his/her own or the Company's directors' personal interests.

① Decision on Large-Scale Acquisitions subject to the Large-Scale Acquisition Rules

② Decision on the Required Information to be provided by the Large-Scale Acquirer to the Company's Board of Directors

③ Examination and review of the details of the Large-Scale Acquisition by the Large-Scale Acquirer

④ Decision on whether the Large-Scale Acquisition would significantly damage the corporate value and consequently the common interests of shareholders

⑤ Decision on whether the Large-Scale Acquisition Rules have been complied with

⑥ Decision on whether to extend the Board of Directors meeting Evaluation Period

⑦ Decision that the matter of whether to implement countermeasures should be submitted to the shareholders' meeting

⑧ Decision on whether to implement, not implement, modify, or suspend countermeasures

⑨ Review of the continuation, modification, or abolition of the Large-Scale Acquisition Rules

⑩ Other matters to be determined by the Company's Board of Directors that have been referred to the Independent Committee by the Company's Board of Directors

In addition, in order to ensure appropriate judgment, the Independent Committee shall endeavor to collect necessary and sufficient information in making the above judgments and may obtain advice from external experts (including financial advisors, certified public accountants, attorneys, consultants, and other professionals) at the Company's expense.

Exhibit 3

Brief Biographies of Independent Committee Members

The following four persons are expected to serve as members of the Independent Committee at the time of continuation of this Policy.

Shigeru Nakajima

[Brief Biography]

Born December 27, 1949

April 1979: Registered as an attorney

April 1983: Established Nakajima Business Law Office

December 2000: Outside Corporate Auditor, Nissei ASB Machine Co., Ltd. (current position)

June 2003: Outside Corporate Auditor, Recruit Co., Ltd.

June 2004: Outside Corporate Auditor, Mitsubishi Corporation

June 2015: Outside Director of the Company

June 2016: Outside Director (Audit and Supervisory Committee Member) of the Company (current position)

Mr. Shigeru Nakajima is an outside director as prescribed in Article 2, item (xv) of the Companies Act. There is no relationship of special interest between the Company and Mr. Nakajima.

Keiko Yamahira

[Brief Biography]

Born November 30, 1960

April 1983: Joined Kubota House Co., Ltd. (currently Sanyo Homes Corporation)

April 2010: Executive Officer, Sanyo Homes Corporation

June 2011: Director and Managing Executive Officer of the same company

June 2012: Director, Sanyo Reform Co., Ltd. (concurrent position)

June 2013: Director and Senior Managing Executive Officer, Sanyo Homes Corporation

Director, Sun Advance Co., Ltd. (concurrent position)

Director, Sanyo Homes Community Co., Ltd. (concurrent position)

June 2015: President, Director and Executive Officer, Sanyo Homes Corporation

April 2017: Representative Director and Chairman, Sanyo Homes Community Co., Ltd.

June 2019: Outside Director, Joshin Denki Co., Ltd. (current position)

Outside Director, Fujitec Co., Ltd.

June 2021: Outside Director, Takara Leben Co., Ltd. (currently MIRARTH HOLDINGS, Inc.)

June 2022: Outside Director of the Company (current position)

June 2024: Outside Director, Maruichi Steel Tube Ltd. (current position)

Ms. Keiko Yamahira is an outside director as prescribed in Article 2, item (xv) of the Companies Act. There is no relationship of special interest between the Company and the said person.

Masafumi Nagano

[Brief Biography]

Born November 27, 1958

April 1982: Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation)

April 2012: General Manager of Human Resources Department of the same company

April 2014: Vice President, Director of Human Resources Dept. of the same company

April 2016: Executive Officer and General Manager of Corporate Planning Department of the same company

April 2018: Managing Executive Officer and Head of Industrial Systems & General-Purpose Machinery Business Area of the same company

June 2018: Director and Managing Executive Officer, Head of Industrial Systems & General-Purpose Machinery Business Area of the same company

April 2020: Director and Managing Executive Officer in charge of Corporate Planning Department and Human Resources Department of the same company

June 2021: Advisor of the same company

February 2023: Employer-side member of the Central Labour Relations Commission (current position)

June 2024: Outside Director (Audit and Supervisory Committee Member) of the Company (current position)

Mr. Masafumi Nagano is an outside director as prescribed in Article 2, item (xv) of the Companies Act. There is no relationship of special interest between the Company and Mr. Nagano.

Chizuko Urabe

[Brief Biography]

Born April 11, 1963

April 1986: Joined Yamaichi Securities Co., Ltd.

April 1998: Joined the Tokyo Metropolitan Police Department

February 2016: Manager of the same agency

April 2017: Police Superintendent of the same agency

April 2022: Acting Director at the same agency

October 2023: Joined EBARA CORPORATION

June 2024: Outside Director of IACE Travel Co., Ltd. (current position)

Outside Director (Audit and Supervisory Committee Member) of the Company (current position)

Ms. Chizuko Urabe is an outside director as prescribed in Article 2, item (xv) of the Companies Act. There is no relationship of special interest between the Company and the said person.

Exhibit 4

Status of Major Shareholders of the Company

The status of major shareholders of the Company as of March 31, 2026 is as follows.

Name of Shareholder	Number of Shares Held (thousand shares)	Percentage of Shares Held to Total Number of Issued Shares (Excluding Treasury Stock) (%)
JFE Steel Corporation	15,905	34.9
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,980	6.5
Kobe Steel, Ltd.	1,762	3.9
Fukoku Mutual Life Insurance Company	1,000	2.2
Sumitomo Mitsui Trust Bank, Limited	980	2.1
Custody Bank of Japan, Ltd. (Trust Account)	938	2.1
Mizuho Bank, Ltd.	852	1.9
Shinagawa Refractories Employee Shareholding Association	798	1.7
Nippon Life Insurance Company	706	1.5
Mitsubishi Estate Co., Ltd.	690	1.5