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Securities code: 9956

June 12, 2023

(Date of commencement of electronic provision measures) June 7, 2023

To Shareholders with Voting Rights:

Takayuki Koike
Acting President
Valor Holdings Co., Ltd.
180-1 Oi-cho, Ena-shi, Gifu, Japan

**NOTICE OF
THE 66TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our sincere appreciation for your continued support.

We hereby inform you that the 66th Annual General Meeting of Shareholders of Valor Holdings Co., Ltd. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken electronic provision measures, which provide information contained in the Reference Documents for the General Meeting of Shareholders, etc. (the “matters subject to electronic provision measures”) in electronic format, and has posted this information as the “Notice of the 66th General Meeting of Shareholders” on the Company website on the Internet. Please access the Company website to review the information.

The Company website: <https://valorholdings.co.jp/ir/event/meeting.html> (in Japanese)
(Search on the web for “Valor Holdings general meeting of shareholders”)

- 1. Date and Time:** Thursday, June 29, 2023 at 10:00 a.m., Japan time
2. Place: Grand Hall, Valor Culture Hall (Tajimi-shi Bunka Kaikan)
2-8 Jukuta-cho, Tajimi-shi, Gifu, Japan

* The venue is different from the previous year.

* Please note there will be no souvenirs for attendees. We appreciate your understanding.

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company’s 66th Fiscal Year (April 1, 2022 - March 31, 2023) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
 2. Non-consolidated Financial Statements for the Company’s 66th Fiscal Year (April 1, 2022 - March 31, 2023)

Proposal to be resolved:

- Proposal 1:** Election of Eleven (11) Directors (Excluding Directors who are Audit & Supervisory Committee Members)
- Proposal 2:** Renewal of Measures to Respond to Large-scale Purchases of the Company’s Shares (Takeover Defense Measures)

4. Matters Determined upon Convocation

- (1) Among the matters subject to electronic provision measures, the following matters will not be provided in the paper copy to shareholders who made a request for delivery of documents in accordance with the provisions of laws and regulations and Article 17 of the Articles of Incorporation of the Company. Accordingly, the paper copy to be delivered to shareholders who made a request for delivery of documents constitutes only part of the documents audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing the audit reports.
 - I. Of the matters to be presented in the Business Report:
“System to Ensure the Appropriateness of Business Operations and Operation Status of the System” and “Basic Policy on the Control of the Company”
 - II. Consolidated Statement of Changes in Net Assets
 - III. Notes to the Consolidated Financial Statements
 - IV. Non-consolidated Statement of Changes in Net Assets
 - V. Notes to the Non-consolidated Financial Statements
- (2) In addition to posting matters subject to measures for electronic provision on the Company website, the Company has also posted this information on the website of Tokyo Stock Exchange (TSE Listed Company Search).

To see the information, go to the URL below, enter “Valor Holdings” in “Issue name (company name)” or its securities code “9956” in “Code,” and click on “Search.” Then, click on “Basic information” and select “Documents for public inspection/PR information.”

TSE website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>
- (3) Any amendment to the matters subject to electronic provision measures will be posted on the Company’s website and the TSE website on the Internet.
- (4) If you exercise your voting rights both by mail and via the Internet, etc., the exercise of your voting rights via the Internet, etc. will be valid. Also, if you exercise your voting rights more than once via the Internet, etc., the last exercise of your voting rights will be valid.
- (5) For each proposal, if there is no indication of an approval or disapproval on the returned voting rights exercise form, the vote shall be treated as an approval.

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- If you attend the meeting in person, please submit the enclosed Voting Rights Exercise Form to the reception desk when you arrive at the venue.

If you are unable to attend the meeting in person, you may exercise your voting rights via the smartphone or Internet, or in writing. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:00 p.m., Wednesday, June 28, 2023m Japan time.

Reference Documents for the General Meeting of Shareholders

Proposal and References

Proposal 1: Election of Eleven (11) Directors (Excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of all Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect eleven (11) Directors, increasing the number of Directors by one (1).

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows.

No.	Name	Main positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	[Reappointment] Masami Tashiro	Chairman & CEO	12/12 (100%)
2	[Reappointment] Takayuki Koike	Acting President	12/12 (100%)
3	[Reappointment] Katsuyuki Mori	Senior Managing Director (President, Valor Co., Ltd.)	12/12 (100%)
4	[Reappointment] Akira Shinohana	Managing Director and General Manager, Administration Headquarters	12/12 (100%)
5	[Reappointment] Satoshi Yoneyama	Director and General Manager, LuVit Business Department (CEO, Valor Financial Service Co., Ltd.)	11/12 (92%)
6	[Reappointment] Morisaku Wagato	Director (President, Alleanza Holdings Co., Ltd.)	12/12 (100%)
7	[Reappointment] Motohiko Takasu	Director (CEO, Chubu Yakuhin Co., Ltd.)	12/12 (100%)
8	[New appointment] Naotaka Koketsu	CEO, Chubu Foods Co., Ltd.	–
9	[Reappointment] Shunichi Asakura	Director (Chairman & CEO, Alleanza Holdings Co., Ltd.)	12/12 (100%)
10	[Reappointment] Toshiyuki Takahashi	Outside Director, Independent Director	12/12 (100%)
11	[New appointment] Yoko Yamashita	Outside Director, Independent Director	–

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
1	Masami Tashiro (June 9, 1947) [Reappointment]	April 1977 Joined the Company November 1979 Director, the Company November 1984 Managing Director, the Company October 1990 Senior Managing Director, the Company June 1994 CEO, the Company April 2015 Chairman & CEO, the Company (current) [Significant concurrent positions] • Chairman and CEO, Valor Co., Ltd. • Chairman and CEO, AXTOS Co., Ltd.	1,389,846
		[Reason for nomination as a candidate for Director] Mr. Masami Tashiro has a wealth of experience, achievements and insight as a corporate executive, as he has served as CEO of the Company since 1994 while also serving as Representative Director of a Group subsidiary. The Company has nominated him as a candidate for Director because he is considered suitable for promoting the Company's group management and strengthening the corporate governance of the Company.	
2	Takayuki Koike (September 20, 1972) [Reappointment]	April 1995 Joined the Company January 2005 General Manager, President's Office, the Company May 2008 General Manager, Logistics Department, the Company April 2018 CEO, Chubu Kosan Co., Ltd. (current) January 2019 General Manager, IT Strategy Office and General Manager, Information System Department, the Company June 2019 Director, the Company (current) April 2020 General Manager, Retail Technology Headquarters, the Company (current) August 2022 Acting President, the Company (current) [Significant concurrent positions] • CEO, Chubu Kosan Co., Ltd.	4,866
		[Reason for nomination as a candidate for Director] Mr. Takayuki Koike has a wealth of experience, achievements and insight, having promoted the management of the Company's group as acting president since August 2022, as well as serving as Representative Director of a logistics business subsidiary of the Group and the head of the Company's information system department. The Company has nominated him as a candidate for Director because he is considered suitable for promoting the Company's group management and strengthening the corporate governance of the Company.	

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
3	<p>Katsuyuki Mori (June 22, 1961)</p> <p>[Reappointment]</p>	<p>May 1992 Joined Marudai Tachiya Co., Ltd. (currently Tachiya Co., Ltd.)</p> <p>January 2006 CEO, Tachiya Co., Ltd.</p> <p>January 2007 CEO, Sun Friend Co., Ltd (currently Syokusenkan-Taiyo Co., Ltd.)</p> <p>June 2015 Director, the Company</p> <p>April 2018 Chairman, Tachiya Co., Ltd. (current) Managing Director and General Manager, SM Business Administration Headquarters, Valor Co., Ltd.</p> <p>January 2019 Senior Managing Director and General Manager, SM Business Administration Headquarters, Valor Co., Ltd.</p> <p>June, 2022 President, Valor Co., Ltd. (current) Senior Managing Director, the Company (current)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • President, Valor Co., Ltd. • Chairman, Tachiya Co., Ltd. • Chairman, YAOSEN Co., Ltd. • Chairman, YAMATA Co., Ltd. 	10,242
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Katsuyuki Mori has experience, achievements and insight in the management of the Group, as he has concurrently served as Representative Director of the Company's supermarket business subsidiaries since 2006. The Company has nominated him as a candidate for Director because he is considered suitable for promoting the Company's group management and strengthening the corporate governance of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
4	Akira Shinohana (September 25, 1972) [Reappointment]	<p>May 2006 Joined the Company</p> <p>February 2011 General Manager, SM Sales Department, the Company</p> <p>June 2014 Director, the Company</p> <p>April 2015 Managing Director, the Company (current) General Manager, Administration Headquarters, the Company</p> <p>October 2015 General Manager, General Affairs & Human Resources Department and General Manager, Risk Management Department, the Company</p> <p>January 2017 General Manager, General Affairs & Human Resources Department, the Company</p> <p>September 2019 General Manager, General Affairs Department, the Company</p> <p>April 2020 General Manager, Administration Headquarters and General Manager, Finance Department, the Company (current)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • CEO, Chubu Agri Co., Ltd. • CEO, Valor Agency Co., Ltd. • CEO, Valor Max Co., Ltd. • Chairman, Gito Family Department Co., Ltd. 	13,345
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Akira Shinohana has experience, achievements and insight in the management of the Group, as he served as the head of the sales department of the Company's supermarket business and the head of the Company's administrative department, and concurrently served as Representative Director of Group subsidiaries. The Company has nominated him as a candidate for Director because he is considered suitable for promoting the Company's group management and strengthening the corporate governance of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
5	Satoshi Yoneyama (August 13, 1972) [Reappointment]	<p>April 1996 Joined Accenture Japan Ltd</p> <p>September 2006 Joined Kurt Salmon Associates</p> <p>April 2011 Executive Officer, General Planning Office, Watami Co., Ltd.</p> <p>January 2014 Joined the Company</p> <p>April 2015 General Manager, SM Business Administration Headquarters, the Company</p> <p>June 2015 Director, the Company (current)</p> <p>October 2015 Director and General Manager, Business Administration Headquarters, Valor Co., Ltd.</p> <p>May 2018 General Manager, General Planning Office, the Company</p> <p>July 2018 General Manager, LuVit Business Department, the Company (current)</p> <p>June 2020 General Manager, Organizational Transformation Office, the Company (current)</p> <p>December 2021 CEO, Valor Financial Service Co., Ltd. (current)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • CEO, Valor Financial Service Co., Ltd. 	3,327
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Satoshi Yoneyama has experience, achievements and insight in the management of the Group, as he worked as a management consultant and engaged in the management of other companies, and also served as the head of the Company's supermarket business subsidiary, and the head of the Company's card business.</p> <p>The Company has nominated him as a candidate for Director because he is considered suitable for promoting the Company's group management and strengthening the corporate governance of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
6	Morisaku Wagato (May 4, 1959) [Reappointment]	December 1983 Joined Fujiya Co., Ltd.	19,827
		January 2000 General Manager, HC Product Department, the Company	
		July 2004 General Manager, HC Sales Department, the Company	
		June 2011 Director, the Company (current)	
		January 2014 General Manager, HC Sales Department, the Company	
		June 2015 CEO, Home Center Valor Co., Ltd. (current)	
		April 2019 Executive Vice-President, Alleanza Holdings Co., Ltd.	
		May 2023 President, Alleanza Holdings Co., Ltd. (current)	
		[Significant concurrent positions] <ul style="list-style-type: none"> • President, Alleanza Holdings Co., Ltd. • CEO, Home Center Valor Co., Ltd. • CEO, FIRST Co., Ltd. 	
[Reason for nomination as a candidate for Director] Mr. Morisaku Wagato has experience, achievements and insight in the management of the Group, as he served as the head of the sales department and product department of the Company's home improvement center business and has concurrently served as the Representative Director of Group subsidiaries. The Company has nominated him as a candidate for Director because he is considered suitable for promoting the Company's group management and strengthening the corporate governance of the Company.			
7	Motohiko Takasu (January 22, 1974) [Reappointment]	April 1996 Joined Chubu Yakuhin Co., Ltd.	2,473
		March 2011 General Manager, Product Department, Chubu Yakuhin Co., Ltd.	
		January 2012 General Manager, Business Headquarters, Chubu Yakuhin Co., Ltd.	
		June 2013 Director, Chubu Yakuhin Co., Ltd.	
		June 2015 Managing Director, Chubu Yakuhin Co., Ltd.	
		June 2017 Director, the Company (current)	
		April 2018 CEO, Chubu Yakuhin Co., Ltd. (current)	
		[Significant concurrent positions] <ul style="list-style-type: none"> • CEO, Chubu Yakuhin Co., Ltd. 	
[Reason for nomination as a candidate for Director] Mr. Motohiko Takasu has experience, achievements and insight in the management of the Group, as he has concurrently served as Representative Director of the Company's drugstore business subsidiary. The Company has nominated him as a candidate for Director because he is considered suitable for promoting the Company's group management and strengthening the corporate governance of the Company.			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
8	Naotaka Koketsu (November 9, 1963) [New appointment]	<p>April 1987 Joined the Company</p> <p>January 2004 Section Manager, SM Product Department 1st Section, the Company</p> <p>June 2012 General Manager, Product Department, Chubu Foods Co., Ltd.</p> <p>October 2013 General Manager, Product Development Department, Chubu Foods Co., Ltd.</p> <p>April 2014 General Manager, Delicatessen Business Department and Product Development Department, Chubu Foods Co., Ltd.</p> <p>April 2015 Executive Officer, Delicatessen Business Department and Product Development Department, Chubu Foods Co., Ltd.</p> <p>April 2019 CEO, Chubu Foods Co., Ltd. (current)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • CEO, Chubu Foods Co., Ltd. 	3,773
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Naotaka Koketsu has experience, achievements and insight in the management of the Group, as he has served as Representative Director of the Company's subsidiary engaged in the production and sale of prepared foods and other products handled by the Group based on his experience in supermarket operations and product procurement of the Company.</p> <p>The Company has nominated him as a candidate for Director because he is considered suitable for promoting the Company's group management and strengthening the corporate governance of the Company.</p>			
9	Shunichi Asakura (January 18, 1950) [Reappointment]	<p>April 1976 Established Asakura Inc. (currently Daiyu Eight Co., Ltd.) CEO, Asakura Inc.</p> <p>June 1977 CEO, Daiyu Eight Co., Ltd. (change in trade name)</p> <p>September 2016 Chairman, Daiyu LIC Holdings Co., Ltd. (currently Alleanza Holdings Co., Ltd.)</p> <p>June 2019 Director, the Company (current)</p> <p>March 2023 Chairman & CEO, Daiyu Eight Co., Ltd. (current)</p> <p>May 2023 Chairman & CEO, Alleanza Holdings Co., Ltd. (current)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Chairman & CEO, Alleanza Holdings Co., Ltd. • Chairman & CEO, Daiyu Eight Co., Ltd. 	-
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Shunichi Asakura founded a home improvement center business company in 1976, and has experience, achievements, and insight in leading the expansion of business as the company's chief executive.</p> <p>The Company has nominated him as a candidate for Director, because, in view of his experience and achievements, he is considered suitable for promoting the Company's group management and strengthening the corporate governance of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
10	Toshiyuki Takahashi (December 11, 1950) [Reappointment] [Outside Director] [Independent Director]	April 1974 Joined Ajinomoto Co., Inc.	-
		June 2003 Corporate Executive Officer, General Manager, Tokyo Branch, Ajinomoto Co., Inc.	
June 2006 Full-time Advisor, CALPIS Co., Ltd.			
June 2011 Director and Senior Managing Executive Officer, CALPIS Co., Ltd.			
October 2012 Advisor, Ajinomoto Co., Inc.			
June 2013 Audit & Supervisory Board Member, AJINOMOTO FROZEN FOODS Co., Inc.			
June 2015 Retired from AJINOMOTO FROZEN FOODS Co., Inc.			
June 2021 Outside Director, the Company (current)			
[Reason for nomination as a candidate for Director and expected roles] Mr. Toshiyuki Takahashi has a wealth of experience and achievements in the food manufacturing industry as well as experience, achievements and insight in corporate management. The Company has nominated him as a candidate for Outside Director, because, in view of his experience and achievements, he is considered suitable for promoting the Company's group management and strengthening the corporate governance of the Company.			
11	Yoko Yamashita (July 25, 1978) [New appointment] [Outside Director] [Independent Director]	October 2005 Admitted to the bar (Aichi Bar Association) Joined Kochi Law Office	-
		April 2010 Attorney-at-Law, Obama Himawari Foundation Law Office	
June 2012 Partner, Attorney-at-Law, Imai Law Office (current)			
[Significant concurrent positions] • Partner, Attorney-at-Law, Imai Law Office			
[Relations between the Company and the companies where the candidate holds concurrent positions] • There are no special relations.			
[Reason for nomination as a candidate for Director and expected roles] Ms. Yoko Yamashita is a licensed attorney. In addition to her legal practice, she is also active in a wide range of activities, including lecturing at local seminars and serving on councils. The Company has nominated her as a candidate for Outside Director, because, in view of her experience and achievements, she is considered suitable for promoting the Company's group management and strengthening the corporate governance of the Company.			

- Notes: 1. There are no special interests between each of the candidates and the Company.
2. Mr. Toshiyuki Takahashi and Ms. Yoko Yamashita are candidates for Outside Directors.
Pursuant to the rules of the Tokyo Stock Exchange and the Nagoya Stock Exchange, the Company has notified these exchanges that the two candidates for Outside Directors are independent officers.
3. The corporations referred to in the section "Significant concurrent positions" for each candidate except for Ms. Yoko Yamashita are the Company's subsidiaries or affiliates.
4. Ms. Yoko Yamashita, a candidate for Outside Director, uses "Yoko Yamashita" as her name in her professional life. Her name on the official family register is "Yoko Miyazaki."

5. Mr. Toshiyuki Takahashi will have served as Outside Director of the Company for two (2) years, at the conclusion of this General Meeting of Shareholders.
6. The Company entered into the liability limitation agreement with Mr. Toshiyuki Takahashi as Outside Director. If this proposal is approved, and Mr. Toshiyuki Takahashi and Ms. Yoko Yamashita are appointed as Outside Directors, the Company plans to enter into the aforesaid liability limitation agreement with them. The outline of the agreement is as follows:
 - In the event that Directors are held liable for damages that arise from negligence in performing their duties, the Directors shall be liable for such damages up to the minimum liability amount stipulated in Article 425, Paragraph 1, of the Companies Act.
 - The above limitation of liability shall apply only if the Directors acted in good faith and without gross negligence in the performance of their duties that caused such liability.
7. The Company has concluded with an insurance company a directors and officers liability insurance agreement stipulated in Article 430-3, Paragraph 1, of the Companies Act that covers all of the Directors of the Company as the insured.

In the event that claims for damages are made against the insured persons due to the acts in the course of their duties as Directors of the Company, the said liability insurance agreement shall compensate for legal damages and litigation expenses to be borne by the insured. All of the premiums for the liability insurance agreement are borne by the Company.

However, there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered.

If this proposal is approved, each candidate for Director will be covered by the said liability insurance agreement as the insured. Also, the Company plans to renew the said liability insurance agreement with the same details during their terms of office.

Proposal 2: Renewal of Measures to Respond to Large-scale Purchases of the Company's Shares (Takeover Defense Measures)

The Company introduced the “Measures to Respond to Large-scale Purchases of the Company's Shares (Takeover Defense Measures)” upon receiving the approval of shareholders at the 51st Annual General Meeting of Shareholders of the Company held on June 26, 2008. Furthermore, these measures were renewed with the approval of shareholders at the 63rd Annual General Meeting of Shareholders of the Company held on June 26, 2020 (the Takeover Defense Measures after this fourth renewal are hereinafter referred to as the “Former Plan”).

The Former Plan will expire at the conclusion of this Annual General Meeting of Shareholders.

In a meeting held on May 12, 2023, the Board of Directors of the Company (hereinafter referred to as the “Board”) unanimously agreed and decided to revise and renew the Former Plan as detailed in the Appendix, subject to the approval of shareholders at this Annual General Meeting of Shareholders (the Takeover Defense Measures after this fifth renewal are hereinafter referred to as the “Plan”). Changes have been made to the contents of the Former Plan, including the addition of acts of large-scale purchases subject to the Plan, the clarification of the period for evaluation by the Board, additions to the Necessary Information, additions to the exceptions to the requirements for a resolution of a Shareholder Referendum Meeting, and the addition of clauses regarding the acquisition of share acquisition rights pertaining to the Takeover Defense Measures.

The Board meeting at which the detailed contents of the Plan were decided was attended by all Directors who are Audit & Supervisory Committee Members, all of whom expressed their opinions in favor of the Plan on the condition that the detailed implementation of the Plan would be conducted properly.

The Company hereby requests that the shareholders approve this proposal by a majority of voting rights of shareholders present (including voting rights exercised in writing or via the Internet, etc. in advance) in order to ensure that the shareholders' will for the Plan are reflected appropriately.

I. Basic Policy regarding the persons who control the Company's decisions on financial and business policies

The Company believes that the persons who control the Company's decisions on financial and business policies must fully understand the source of corporate value as a group, the broad expertise and wealth of experience possessed by the Group, and the relationships that the Group has built with its stakeholders, including customers, business partners, and employees, and that they must be persons who will secure and enhance the corporate value of the Company and the common interests of its shareholders over the medium to long term.

The Board will not oppose any Large-scale Purchases (as defined in III.2.(3)(i) below; the same shall apply hereinafter) of share certificates, etc. of the Company if that purchase would increase the corporate value of the Company and enhance the common interests of its shareholders. The Company believes that a decision on a purchase offer that involves a transfer of control of the Company should ultimately be based on the will of all shareholders.

However, in recent years, the capital market in Japan has seen many cases of Large-scale Purchases of shares that do not benefit the corporate value of the target company or the common interests of its shareholders. These include cases in which, given the purpose of the purchase, it clearly has the potential to damage the enhancement of the target company's corporate value and the common interests of its shareholders, cases in which the shareholders may effectively be coerced into selling their own shares, and cases in which not enough time or information was provided for the target company's board of directors or the shareholders to consider the details of the Large-scale Purchase or for the board of directors to present alternative proposals.

The Company believes that any person making this kind of Large-scale Purchase that would not benefit the Company's corporate value or the common interests of its shareholders is not an appropriate person to control the Company's decisions on financial and business policies and that it is necessary to secure the Company's corporate value and the common interests of its shareholders by implementing necessary and appropriate countermeasures against Large-scale Purchases of the Company's shares by such persons.

II. Special initiatives to contribute to realizing the Basic Policy

1. Management policy and environment

(i) Corporate philosophy

The Valor Group has defined its philosophy, "Creation, Advance & Challenge" in mission statements. Shared with all the employees since 1958, they have been considered as guiding principles in management.

Mission statement

All the employees of the Valor Group should be aware of its social responsibilities for advancement of local communities and culture. To fulfill them, we perform our duties sincerely; set challenging goals in the spirit of the philosophy "Creation, Advance & Challenge;" and put together our wisdom and power. There is only one truth, "Pursuing prosperity is good."

(ii) Management strategy

The Valor Group operates a diverse range of businesses, including supermarkets, drugstores, home improvement centers, and sports clubs. Behind this is the fact that, as the Group has expanded its business from the suburbs, it has sought management stability by underpinning earnings in a multiple businesses through connections with customers to meet a broad range of local needs. With the aim of building a business model as a manufacturing and retailing company that integrates the entire process from sourcing to retailing, the Group strives to improve the efficiency of its distribution networks and enhance the appeal of its products by developing infrastructure, such as production and processing bases and distribution centers, and fulfilling an intermediary distribution function. The Group is also working to enhance corporate value while creating synergies with a combination of management resources, including developing commercial facilities that combine multiple business formats and leveraging its intermediary distribution function across the entire Group.

2. Medium- to long-term Management Policy

On May 12, 2021, the Group established “Valor Group Vision 2030” and “Sustainability Vision 2030,” our medium- to long-term management policies with an eye to the year 2030, and to bring these to reality, formulated a new three-year medium-to long-term management plan, the “Valor Group FY2021-2023 Strategic Plans.” The following is an overview of the medium- to long-term management policy.

Medium- to long-term Management Policy (FY2021–FY2029)

(i) Vision

- Valor Group Vision 2030

Our aim is to build a “Valor Economic Zone” that connects local communities conveniently and prosperously with the Valor Group’s products, services, and payments and become a “destination company,” that is chosen through the appeal of products. To realize this goal, we will strengthen our connections with customers and evolve our business model as a manufacturing and retailing company.

- Sustainability Vision 2030

The Valor Group will contribute to the development of local communities and the advancement of social life and culture based on the efforts of all its employees, and through its business activities that lead to the realization of a sustainable society.

(ii) Evolving our business model

Today we have a sales network of more than 1,200 stores, including supermarkets, drugstores, home improvement centers, and others, which gives us the advantage of being in close proximity to our customers. In the future, though, we will strengthen connections with our customers not only through our stores, but also through e-commerce (EC) and our own electronic money, Lu Vit. In addition to making our manufacturing capabilities more robust, the transition to a destination company will require the establishment of an efficient supply chain that can accommodate the expansion of procurement and manufacturing bases and collaboration with partners. For this reason, we will work to evolve our business model by linking information through digital transformation (DX).

(iii) Basic policy

1) Connections with products

- In creating a “destination store,” we will provide appealing products that are only available from the Valor Group.
- We will work on transition from a store-based distribution network to an efficient supply chain infrastructure that covers all functions of procurement, production, etc.

2) Connections with customers

- In addition to sales at stores, we will focus on leveraging e-commerce (EC) and the Lu Vit Card and app.
- We will set out and engage in two priority areas for our EC strategy: “Company as dominant force in EC,” in which we will primarily deploy our own management resources in regions where our core business is dominant; and “Wide-area collaborative EC,” in which we will use collaborations to complement technologies that we lack ourselves, such as the web-based supermarket business launched in summer 2021 with Amazon Japan G.K. In the “Company as dominant force in EC” area in particular, we will respond to local issues while maintaining multiple connections through the *ainoma* online supermarket service delivering to offices, drive-through pick-up service, and other non-store sales businesses.

3) Management that is conscious of ties with society

- We will further enhance the governance of Group management, which is a defining feature of the Company, by improving the Board effectiveness and ensuring the transparency of management, as well as strengthening the supervision of Group companies.
- The Group considers “global environment,” “local communities,” and “diversity of human resources” as its three priority areas for the business model. We have established six subcommittees (reduction of food waste and promotion of resource recycling, climate change countermeasures and water management, reduction of waste and promotion of recycling, solutions to shopping issues and support for health promotion, contribution to local communities, and support for a diversified workforce in HR system) for the entire Group workforce to engage in these areas.

(iv) Medium- to long-term quantitative targets (FY2029)

• Scale

Revenues from operations:	Over ¥1 trillion
Operating income:	Over ¥48.0 billion
Ordinary income:	Over ¥50.0 billion

• Efficiency

ROIC (Return On Invested Capital): 9%

Note: ROIC is calculated as follows: Operating income after tax (using the income tax burden ratio after the application of tax effect accounting) / (interest-bearing debt + shareholders' equity + non-controlling interests)

(v) Sustainability KPI (FY2029)

• Realization of a decarbonized society

Criteria: 40% reduction in gross volume of greenhouse gas emissions in the supply chain (compared to FY2020)

• Reduction of food waste

Criteria: 45% reduction in food waste generation from 18,983t (FY2016 result).

3. Corporate governance initiatives

In response to the Corporate Governance Code that has applied since June 2015, the Company established its Basic Policy on Corporate Governance and updates its Corporate Governance Report, which describes the status of the Company's response, as its contents change, submitting it to Tokyo Stock Exchange, Inc.

With the approval of the 58th Annual General Meeting of Shareholders held in June 2015, the Company transitioned to a holding company structure in October 2015. With this transition, the Company assumes the Group's strategic functions with the aim of maximizing corporate value through optimal allocation of management resources and oversight functions over the business execution of operating companies to promote the strengthening of governance. The Company also strives for faster business execution and stronger oversight functions by reviewing the organizational structures of the holding company and operating companies and clarifying their responsibilities and authorities. To achieve faster business execution, we have established the Group Management Executive Committee, where decisions are made on investment projects and management issues of operating companies are discussed.

With the approval of the 59th Annual General Meeting of Shareholders held in June 2016, the Company transitioned to a company with Audit & Supervisory Committee System, establishing a structure for the further strengthening of corporate governance.

The Board consists of 14 members, including 10 Directors who are not Audit & Supervisory Committee Members (including two (2) Outside Directors), who conduct oversight of the Group companies, the business execution of the holding company and the business execution of operating companies, and four (4) Directors who are Audit & Supervisory Committee Members (including three (3) Outside Directors). Subject to the approval of Proposal 1 to be resolved at this Annual General Meeting of Shareholders ("this Shareholder Meeting"), the number of Directors who are not Audit & Supervisory Committee Members will be 11 (including two (2) Outside Directors). The Company notified Tokyo Stock Exchange, Inc. of five (5) Outside Directors as independent directors as stipulated by the Exchange.

In addition, the Board has formed a Nomination and Compensation Committee, consisting of two (2) Directors and three (3) Outside Directors, to ensure the transparency of the Board.

III. Initiatives to prevent decisions on the Company's financial and business policies from being controlled by persons regarded as inappropriate according to the Basic Policy

1. Purposes of the renewal to the Plan

As stated in I. Basic Policy above, the Company will not oppose an act of Large-scale Purchase itself if such purchase will contribute to the enhancement of the corporate value of the Company and the realization of the common interests of its shareholders. However, the Company also cannot deny the possibility that a Large-scale Purchase may be made with the aim of realizing short-term profits, focusing on certain businesses and assets, without an understanding of the business model and other factors that are the source of the corporate value of the Company.

In the event of a Large-scale Purchase under such circumstances, the Company believes that, in order for the shareholders to make an appropriate decision as to whether or not such a Large-scale Purchase will contribute to the enhancement of the corporate value of the Company and the realization of the common interests of its shareholders and whether or not to accept the proposal for a Large-scale Purchase of share certificates, etc., of the Company, it is essential that both the Large-scale Purchaser (as defined in 2.(3)(i) below; the same shall apply hereinafter) and the Board provide appropriate and sufficient information and ensure a sufficient period of time for consideration. In addition, the Board

believes that if it is necessary to change or improve the terms and methods of a Large-scale Purchase from the perspective of securing or enhancing the corporate value of the Company and the common interests of its shareholders, it will be necessary to negotiate with the Large-scale Purchaser on the terms and methods of the Large-scale Purchase and also to make alternative proposals to the shareholders, with sufficient time secured for these purposes.

Based on this belief, the Company has decided to renew the Former Plan with the necessary revisions and to propose the Plan as described below. The Plan requires a Large-scale Purchaser to comply with the Plan and provides countermeasures to be applied when the Large-scale Purchaser fails to comply with the Plan and when it is determined that the Large-scale Purchase would significantly damage the corporate value of the Company and the common interests of its shareholders.

For the status of major shareholders of the Company as of March 31, 2023, please refer to the attached “Reference 1.” At the time of this release, the Company is not in receipt of any proposal for a Large-scale Purchase.

2. Details of the Plan

(1) Overview of the Plan

The Plan requires a Large-scale Purchaser to comply with prescribed procedures when the Large-scale Purchaser embarks on a Large-scale Purchase of the Company’s shares. Under the Plan, when a Large-scale Purchase does not comply with such procedures or, even if the purchase does comply with such procedures, when it is determined that such purchase would significantly damage the corporate value of the Company and the common interests of its shareholders, as a general rule, share acquisition rights will be allotted without consideration to the shareholders as a countermeasure against such Large-scale Purchase. In addition, if it is deemed appropriate to trigger any other countermeasures permitted by the Companies Act and other laws and by the Company’s Articles of Incorporation, the Company may adopt such other countermeasures.

The share acquisition rights to be allotted pursuant to the Plan (hereinafter, the “Rights”) are expected to be subject to, among other things, (i) exercise conditions that prohibit the exercise by the Large-scale Purchaser and its related parties, (ii) an acquisition clause whereby the Company will issue shares of the Company to the shareholders other than the Large-scale Purchaser and its related parties in exchange for the acquisition of the Rights, and (iii) an acquisition clause whereby the Company will acquire the Rights held by the Large-scale Purchaser and its related parties in exchange for other share acquisition rights with certain exercise conditions and acquisition clauses as consideration (if so decided by the Board).

If the gratis allotment of the Rights is conducted, the ratio of voting rights held by the Large-scale Purchaser and its related parties to the total voting rights of the Company may be significantly diluted, due to these exercise conditions and acquisition clauses.

(2) Procedures for renewal to the Plan – Approval at this Shareholder Meeting

The Former Plan was approved at the 63rd Annual General Meeting of Shareholders held on June 26, 2020. In order to appropriately reflect the shareholders’ will, the renewal to the Plan is subject to approval by resolution at this Shareholder Meeting.

(3) Procedures for triggering the Plan

(i) Large-scale Purchases subject to the Plan

Unless otherwise stipulated by the Board, the Company will consider triggering countermeasures in accordance with the Plan if any of the following acts or similar acts are taken or attempted to be taken (excluding those approved in advance by the Board. Any such act is hereinafter referred to as a “Large-scale Purchase,” and the party who conducts or intends to conduct a Large-scale Purchase is hereinafter referred to as the “Large-scale Purchaser”).

- i. Any purchase of share certificates, etc.^{*1} issued by the Company that will cause the holder’s^{*2} ownership ratio^{*3} of share certificates, etc. to equal or exceed 20%
- ii. Any purchase^{*4} of share certificates, etc.^{*5} issued by the Company that will cause the sum of the ownership ratio of share certificates, etc.^{*6} of the purchaser and the ownership ratio of share certificates, etc. of any specially related party^{*7} of the purchaser to equal or exceed 20%
- iii. Regardless of whether or not either of the acts specified in Items i. or ii. above is conducted, any agreement or other act between a particular holder of the Company and another holder of the Company (or holders if there is more than one; the same shall apply below in this Item iii.) that results in such other holder becoming a joint holder^{*8} with such particular holder, or any act reasonably determined^{*9} to establish a relationship between such particular holder and such other holder in which one party substantively controls the other party or in which the parties act jointly or in concert^{*10} (provided, however, that this shall be limited to cases where the sum of the ownership ratios of such particular holder and such other holder for share certificates, etc. issued by the Company equals or exceeds 20%).

*1: Refers to share certificates, etc. as provided in Article 27-23, Paragraph (1) of the Financial Instruments and Exchange Act (hereinafter the “Act” in this item), unless otherwise specified in this document.

*2: Refers to holder as provided in Article 27-23, Paragraph (1) of the Act and includes a person deemed to be a holder under Paragraph (3) of the same article (including any person to whom this is deemed to apply by the Board), unless otherwise specified in this document.

*3: Refers to ownership ratio of share certificates, etc. provided in Article 27-23, Paragraph (4) of the Act, unless otherwise specified in this document.

*4: Refers to the purchase or other acquisition for value and includes acts similar to acquisition for value as provided in Article 6, Paragraph (3) of the Order for Enforcement of the Financial Instruments and Exchange Act, unless otherwise specified in this document.

*5: Refers to share certificates, etc. as provided in Article 27-2, Paragraph (1) of the Act. The same shall apply in Item ii above.

*6: Refers to ownership ratio of share certificates, etc. as provided in Article 27-2, Paragraph (8) of the Act, unless otherwise specified in this document.

*7: Refers to specially related party as provided in Article 27-2, Paragraph (7) of the Act (including any person to whom this is deemed to apply by the Board). However, persons provided in Article 3, Paragraph (2) of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other than Issuers shall be excluded from persons provided in Item (i) of the same paragraph of the Act, unless otherwise specified in this document.

*8: Refers to joint holder as provided in Article 27-23, Paragraph (5) of the Act and includes a person deemed to be a joint holder under Paragraph (6) of the same article (including any person to whom this is deemed to apply by the Board), unless otherwise specified in this document.

*9: Whether or not an act stated in this Item iii. has been conducted shall be reasonably determined by the Board based on the recommendation of the Independent Panel. The Board may request that holders provide necessary information to the extent required to determine whether the acts in question fall under the requirements of this Item iii.

*10: Whether or not a “relationship between such particular holder and such other holder in which one party substantively controls the other party or in which the parties act jointly or in concert” has been established shall be determined primarily on the basis of new investment relationships, business alliance relationships, business or contract relationships, interlocking directorships, funding relationships, credit granting relationships, status of purchase of the Company’s share certificates, etc. on the market to artificially inflate share prices, status of the exercise of voting rights on the Company’s share certificates, etc., formation of substantial interests in the Company’s share certificates, etc., through derivatives, share lending, etc., the effect of the particular holder and the other holder on the Company directly or indirectly, or other direct or indirect facts suggesting that there is communication of intent between that particular holder and that other holder.

(ii) Disclosure of the Plan and request for information from Large-scale Purchaser

The Company will make timely disclosure of the Plan in accordance with the rules and regulations set forth by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and will also post it on the Company website (<https://valorholdings.co.jp/>; in Japanese).

Unless otherwise provided by the Board, prior to the execution of the Large-scale Purchase, the Large-scale Purchaser will be requested to submit to the Board a written purchase proposal in Japanese containing the information necessary for the consideration of the details of the Large-scale Purchase as set forth in each of the following items (however, the details of such information will be changed to a reasonable extent according to the content and nature, etc. of the Large-scale Purchase. Hereinafter, such information is referred to as the “Necessary Information.”), and which includes a statement of intent to comply with the procedures set forth in the Plan. The written purchase proposal is to be accompanied by a certified copy of commercial registration, a copy of the articles of incorporation and other documents certifying the existence of the Large-scale Purchaser.

Upon receipt of the aforementioned written purchase proposal, the Board shall promptly provide the same to the Independent Panel described in (iv) below. If the Board reasonably determines that, in light of the content and nature, etc. of the Large-scale Purchase, the information provided by the Large-scale Purchaser is insufficient for the shareholders’ judgment and for the evaluation and consideration, etc. by the Board, the Large-scale Purchaser will be requested to provide additional information in Japanese as separately requested by the Board (however, the Board shall not request the provision of additional information beyond the level necessary for the shareholders to make appropriate judgments on the pros and cons of the purchase and for the Board to evaluate and consider the purchase in light of the attributes of the Large-scale Purchaser, the content of the Large-scale Purchase proposed by the Large-scale Purchaser, and the content and nature, etc. of the Necessary Information, etc.). However, for the purpose of speeding up the provision of information from the Large-scale Purchaser and preventing the arbitrary implementation of the Plan by the Board, such as endless requests for information, the period during which the Board shall request the Large-scale Purchaser to provide the Necessary Information and the Large-scale Purchaser shall respond to the requests (the “Information Provision Period”) shall be limited to 60 days from the day following the date on which the Company requests the Large-scale Purchaser to provide the Necessary Information. Upon expiration of the Information Provision Period, even if the Necessary Information has not been fully submitted, communications with the Large-scale Purchaser concerning the provision of information shall be discontinued at that time, and the Board Evaluation Period (as defined in 2.(3)(iii) below) shall commence with the information provided by that time. The Information Provision Period may be extended up to 30 days, as necessary, only if the Large-scale Purchaser requests an extension based on reasonable grounds.

- i. Details (including specific name, capital structure, business description, financial standing, and information related to experience in business operations similar to those of the Company and the Group) of the Large-scale Purchaser and its group (including joint holders, specially related parties and (in the case of a fund) partners and other members)
- ii. Number of the Company's share certificates, etc. actually held by the Large-scale Purchaser and its group and the transaction status of the Company's share certificates, etc. by the Large-scale Purchaser during the 60 days prior to the date of submission of the written purchase proposal
- iii. The purpose (including the acquisition of control or participation in management, pure investment or investment for business relationships, transfer of the Company's share certificates, etc. to a third party after the Large-scale Purchase or, if making a material proposal (meaning a "material proposal" as provided in Article 27-26, Paragraph (1) of the Financial Instruments and Exchange Act (hereinafter the "Act" in this item) and Article 14-8-2, Paragraph (1) of the Order for Enforcement of the Act, and in Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates) or if there is any other purpose, a statement to that effect and a summary thereof. If there are multiple purposes, all of them are to be stated) and method and terms of the Large-scale Purchase (including the class and number of the Company's share certificates, etc. to be acquired through the Large-scale Purchase, the amount and type of consideration of the Large-scale Purchase, the timing of the Large-scale Purchase, the schemes of any related transactions, the legality of the method of the Large-scale Purchase, and the feasibility of the Large-scale Purchase)
- iv. Existence of communication of intent with any third parties with regard to the Large-scale Purchase and, if any such communication exists, the details thereof
- v. Outline of the basis of calculation of the price of the Large-scale Purchase (including the underlying facts and assumptions of the calculation, calculation method, numerical data used in the calculation, and the amount of any expected synergies created through the series of transactions related to the Large-scale Purchase and the basis of calculation of that amount)
- vi. Supporting evidence of the funds for the Large-scale Purchase (including the specific names of providers of the funds (including all substantive providers), financing methods and the terms of any related transactions)
- vii. Existence of communication of intent with any third parties with regard to the Large-scale Purchase and if any such communication exists, the details thereof and an outline of such third parties
- viii. Management policy, management candidates (including information regarding their experience in businesses similar to the business of the Company and the Group), business plans, financial plans, capital policy, dividend policy, and asset utilization measures of the Company and the Group after the Large-scale Purchase (however, if the purchase proposal by the Large-scale Purchaser is for a purchase with 100% cash (in Japanese yen) with no minority shareholders remaining, only an outline of the information under this item will suffice)
- ix. Policies on the treatment of employees, business partners, customers, and other stakeholders of the Company and the Group after the Large-Scale Purchase (including the existence of alteration plans and, if such plans exist, the details thereof)
- x. Policies on the recovery of invested capital for the Large-scale Purchase
- xi. Existence of associations with antisocial forces or terrorism-related organizations (whether direct or indirect) and, if any, the details of such associations
- xii. Concrete measures to avoid conflicts of interest with other shareholders of the Company
- xiii. Other information reasonably deemed necessary by the Board

Upon becoming aware of the emergence of a Large-scale Purchaser, or upon receiving a written purchase proposal or additional information, the Board will immediately disclose those facts to the shareholders. In addition, the Board will disclose all or part of the Necessary Information provided by the Large-scale Purchaser at the time the Board determines that it is necessary for the shareholders to make their judgment.

(iii) Procedure for consideration by the Board

If the Board determines that the Necessary Information contained in the written purchase proposal submitted by the Large-scale Purchaser meets the standards necessary for the shareholders to make an appropriate judgment of the pros and cons of the acquisition and for the Board to conduct evaluation and consideration, etc. (this includes cases in which the Board has requested the submission of additional information because the information provided by the Large-scale Purchaser was insufficient, and as a result of the submission of the Necessary Information in response, the Board has determined that it has received sufficient information as the Necessary Information along with the written purchase proposal), it shall immediately notify the Large-scale Purchaser and the Independent Panel of that fact and of the start and end of the Board Evaluation Period defined below and disclose the same to the shareholders in a timely and appropriate manner. In the event that the Large-scale Purchase by the Large-scale Purchaser is the purchase, etc. of all share certificates, etc. of the Company through a tender offer with a cash-only consideration (in Japanese yen), the Board shall, within 60 days from the day following the date of dispatch of such notice to the Large-scale Purchaser, or within 90 days if other means are used (hereafter referred to as the “Board Evaluation Period”), fully evaluate and consider the Necessary Information provided, receiving the advice of third parties independent of the Company (including investment banks, securities firms, financial advisors, attorneys-at-law, certified public accountants and other experts) as necessary, and, with the utmost respect to the recommendations of the Independent Panel as set forth in (iv) below, carefully formulate the opinion of the Board regarding the Large-scale Purchase, notify the Large-scale Purchaser of that opinion, and disclose it to the shareholders in a timely and appropriate manner. If necessary, the Board may also negotiate with the Large-scale Purchaser on the terms and methods of the Large-scale Purchase and may also present alternative proposals to the shareholders.

If there are unavoidable circumstances that prevent the Board from reaching a resolution on the triggering or non-triggering of countermeasures within the Board Evaluation Period, such as the Independent Panel’s failure to recommend the triggering or non-triggering of countermeasures within the Board Evaluation Period, the Board may, based on the recommendation of the Independent Panel, extend the Board Evaluation Period by up to 30 days to the extent necessary (counting from the day following the expiration date of the original Board Evaluation Period). If the Board resolves to extend the Board Evaluation Period, it will immediately disclose the specific period resolved and the reason for the need for such specific period to the shareholders.

The Large-scale Purchaser may initiate the Large-scale Purchase only after the expiration of the Board Evaluation Period or, if the Board decides to hold a Shareholder Referendum Meeting (defined in (v) below) as set forth in (vi) iii. below, after a resolution of the Board has been passed in accordance with the shareholders’ decision at such Shareholder Referendum Meeting. However, if the Large-scale Purchaser receives a Notice of Non-trigger Decision set forth in (vii) below, the Large-scale Purchaser may conduct the Large-scale Purchase from the business day following the date of receipt of the notice.

(iv) Establishment of the Independent Panel

The Board shall make the final decision on whether or not a series of procedures have been conducted in accordance with the rules set out in the Plan, and, if the rules set out in the Plan have been complied with, whether or not to take certain countermeasures that are considered necessary and reasonable in order to secure or enhance the corporate value of the Company and the common interests of its shareholders. In order to ensure the reasonableness and fairness of that decision, the Company will establish an Independent Panel that is independent of the Board. This Independent Panel shall consist of not less than three (3) but not more than five (5) members. The Board shall select its members from among outside parties, including Outside Directors, attorneys-at-law, tax accountants, certified public accountants, academics, persons familiar with investment banking, and persons from outside the Company with experience as a director, auditor, executive director, or executive officer of another company, to enable fair and neutral judgment. At the time of renewal to the Plan, a total of four (4) members are scheduled to be appointed to the Independent Panel: three (3) Outside Directors who are Audit & Supervisory Committee Members of the Company, namely, Mr. Mutsuo Masuda, Mr. Hirofumi Hata, and Mr. Tokimitsu Ito, and one (1) Outside Director candidate, Ms. Yoko Yamashita, in the proposal for election of Directors (excluding Directors who are Audit & Supervisory Committee Members) to be submitted to this Shareholder Meeting. For career summaries of each member, please refer to Attachment 1. "Names and Career Summaries of Members of the Independent Panel."

Outlines of the decisions of the Independent Panel will be disclosed to the shareholders in a timely and appropriate manner.

(v) Procedures for triggering countermeasures

To ensure the reasonableness and fairness of the decision by the Board on the triggering of countermeasures, the following procedures shall be taken.

Prior to the triggering of countermeasures, the Board shall consult with the Independent Panel on whether or not to trigger the countermeasures. On the basis of this consultation, the Independent Panel shall make a recommendation to the Board on whether or not to trigger the countermeasures, after receiving the advice of third parties independent of the Company (including investment banks, securities firms, financial advisors, attorneys-at-law, certified public accountants and other experts) as necessary, at the Company's expense. The Board shall pay the utmost respect to the recommendations of the Independent Panel when making its decision on whether or not to trigger the countermeasures.

For the Board to trigger the countermeasures, it shall be resolved unanimously by all Directors of the Company, including Directors who are Audit & Supervisory Committee Members. Upon making such resolution, the Board shall immediately disclose to the shareholders an outline of such resolution and any other matters that the Board deems appropriate.

In addition to the aforementioned consultation with the Independent Panel, the Board shall, on the basis of the Necessary Information provided by the Large-scale Purchaser and with the advice of third parties independent of the Company (including investment banks, securities firms, financial advisors, attorneys-at-law, certified public accountants and other experts) as necessary, evaluate and consider the specific details of the Large-scale Purchaser and the Large-scale Purchase, and the impact of the Large-scale Purchase on the corporate value of the Company and the common interests of its shareholders, among other things, before deciding whether or not to trigger the countermeasures.

Furthermore, as provided in (vi) iii. below, in the case of (vi) ii below, if the Board determines that it is appropriate in practice to directly confirm the will of the shareholders in determining whether or not to trigger the countermeasures against the Large-scale Purchase, a general meeting of shareholders (hereinafter, the “Shareholder Referendum Meeting”) may be held to confirm the will of the shareholders with respect to whether or not to trigger the countermeasures against the Large-scale Purchase.

(vi) Conditions for triggering countermeasures

- i. Cases where the Large-scale Purchaser conducts or attempts to conduct the Large-scale Purchase without complying with the procedures set out under the Plan

In the event that the Large-scale Purchaser fails to comply with the procedures set out under the Plan, the Board shall, regardless of the nature of the Large-scale Purchase, such as the specific terms and method, deem that the Large-scale Purchase would significantly damage the corporate value of the Company and the common interests of its shareholders, and take necessary and reasonable countermeasures to secure or enhance the corporate value of the Company and the common interests of its shareholders, after paying the utmost respect to the recommendations of the Independent Panel.

- ii. Cases where the Large-scale Purchaser conducts or attempts to conduct the Large-scale Purchase while complying with the procedures set out under the Plan

In the event that the Large-scale Purchaser conducts or attempts to conduct the Large-scale Purchase while complying with the procedures set out under the Plan, the Company will, in principle, not take any countermeasures against the Large-scale Purchase, even if the Board is opposed to the Large-scale Purchase and expresses its objections, presents alternative proposals, or provides explanations to shareholders. Whether or not to accept the proposal of the Large-scale Purchaser regarding the Large-scale Purchase of the Company’s share certificates, etc. will be determined by the shareholders after taking into consideration the Necessary Information on the Large-scale Purchase and the opinions of the Board on such information, as well as any alternative proposals.

However, even in the case where the Large-scale Purchaser conducts or attempts to conduct the Large-scale Purchase while complying with the procedures set out under the Plan, if the Board, after considering the details of the Large-scale Purchaser’s Large-scale Purchase and engaging in discussions and negotiations with the Large-scale Purchaser, recognizes that the Large-scale Purchase based on the purchase proposal made by the Large-scale Purchaser would significantly damage the corporate value of the Company and the common interests of its shareholders, the Board may, regardless of whether the Board Evaluation Period has started or ended, take necessary and reasonable countermeasures to secure or enhance the corporate value of the Company and the common interests of its shareholders, after paying the utmost respect to the recommendations of the Independent Panel. Specifically, if the Large-scale Purchase is determined to fall under any of the following categories, as a general rule, such Large-scale Purchase based on the purchase proposal will be deemed to be one that would significantly damage the corporate value of the Company and the common interests of its shareholders.

- (a) Takeover with the aim of thereafter demanding the buyback of the purchased share certificates at an inflated price
- (b) Takeover with the aim of realizing the Large-scale Purchaser’s own interests at the expense of the Company, such as obtaining important assets, technical information, etc. at a low price

- (c) Takeover with the aim of diverting the Company's assets as collateral or repayment funds to meet the Large-scale Purchaser's own obligations, which, in turn, would cause obvious damage to the corporate value of the Company and the common interests of its shareholders
- (d) Takeover with the aim of causing the Company to sell or otherwise dispose of highly valued assets and force the Company to distribute temporarily higher dividends with the gains from such sale or disposal, or of selling off the purchased shares at an inflated price caused by such temporarily higher dividends, which, in turn, would cause obvious damage to the corporate value of the Company and the common interests of its shareholders
- (e) Takeover whose conditions (including price and type of consideration, timing and method of the Large-scale Purchase, management policy or business plan after the Large-scale Purchase, and policies on the treatment of employees, business partners, customers, and other stakeholders of the Company after the Large-scale Purchase) for purchasing the Company's share certificates, etc. are significantly inadequate or inappropriate in light of the corporate value of the Company
- (f) Takeover whose proposed method threatens to effectively coerce shareholders into selling their share certificates, etc. in the Company, such as a tender offer that does not offer to acquire all share certificates, etc. in the first tier and sets unfavorable acquisition conditions or does not set clear terms for the second tier
- (g) Takeover in which the corporate value of the Company over the medium to long term would be considerably diminished by the Large-scale Purchaser acquiring controlling rights, compared with the Large-scale Purchaser not acquiring controlling rights
- (h) Takeover in which the Large-scale Purchaser is markedly inappropriate as a controlling shareholder of the Company from the perspective of public order and morals
- (i) In addition to the preceding items, takeovers that satisfy both of the following:
 - a. It can be objectively and reasonably inferred that there is a significant risk of damage to the corporate value of the Company and the common interests of its shareholders, including the interests of customers, employees and other stakeholders; and
 - b. If the countermeasures were not to be triggered at the time, a significant risk of damage to the corporate value of the Company and the common interests of its shareholders cannot be avoided or may likely not be avoided.

iii. Holding of Shareholder Referendum Meeting

As stated in Item ii. above, in the event that the Large-scale Purchaser conducts or attempts to conduct the Large-scale Purchase while complying with the procedures set out under the Plan, the Board, in principle, shall make a resolution on whether or not to trigger countermeasures against a Large-scale Purchase, after paying the utmost respect to the recommendations of the Independent Panel. However, upon consideration of various circumstances, including the nature of the Large-scale Purchase by the Large-scale Purchaser and the time required to hold a Shareholder Referendum Meeting, in light of laws and regulations and the duty of care and diligence of the Directors of the Company, if it is determined that it would be appropriate in practice to directly confirm the will of the shareholders, in addition to consulting the Independent Panel, the Board may convene a Shareholder Referendum Meeting to confirm the will of the shareholders regarding the triggering of countermeasures with the approval of a majority of the voting rights of the shareholders present (including shareholders who exercise their voting rights in writing or via the Internet, etc. in advance; however, the Large-scale Purchaser and its joint holders, specially related parties, etc., may be excluded if the Large-scale Purchase is carried out by coercive

market buying, etc. The same shall apply hereinafter). If the Board decides to hold a Shareholder Referendum Meeting, the Board shall promptly disclose to shareholders the fact of that decision and the reasons therefor, and convene the Shareholder Referendum Meeting as soon as practically possible.

In the event that a Shareholder Referendum Meeting is held, the Board shall comply with the decision made by shareholders at such Referendum Meeting with respect to the triggering of countermeasures.

If the Board decides to hold a Shareholder Referendum Meeting, the Large-scale Purchaser shall not initiate the Large-scale Purchase until a resolution of the Board is passed in accordance with the decision of the shareholders at such Referendum Meeting.

(vii) Decision on triggering or non-triggering of countermeasures by the Board

In either event of (vi) i. or ii. above, the Board will make a decision regarding the triggering or non-triggering of countermeasures after paying the utmost respect to the recommendations of the Independent Panel, and in the event of (vi) ii. above and if a Shareholder Referendum Meeting is held to confirm the will of the shareholder in addition to consulting the Independent Panel, the Board will make a decision regarding the triggering or non-triggering of countermeasures in accordance with the decision of the shareholders at such Referendum Meeting.

In the event that the Board makes a decision whether to trigger or not trigger countermeasures, the Board shall immediately notify the Large-scale Purchaser (in the case of the decision of non-trigger, the notice is hereinafter referred to as the “Notice of Non-trigger Decision”) and disclose to shareholders a summary of that decision, a summary of the resolution of the above Shareholder Referendum Meeting, and other matters deemed appropriate by the Board. The Large-scale Purchaser may initiate the Large-scale Purchase only after the expiration of the Board Evaluation Period or, in the event that the Board decides to hold a Shareholder Referendum Meeting as provided in (vi) iii. above, after the resolution of the Board (in principle, the meeting shall be held on the same day as the Shareholder Referendum Meeting) made in accordance with the decision of the shareholders at such Referendum Meeting. However, if the Large-scale Purchaser receives a Notice of Non-trigger Decision from the Board, the Large-scale Purchaser may conduct the Large-scale Purchase from the business day following the date of receipt of the notice.

(viii) Reconsideration by the Board

Even after a decision has been made as to whether or not to trigger countermeasures, in the event of any change in the facts on which such decision was based, such as the cases where the Large-scale Purchaser changes the terms of the Large-scale Purchase or discontinues the Large-scale Purchase, the Board may once again consult the Independent Panel, conduct further deliberations, and make a decision on the triggering or discontinuing of countermeasures, after paying the utmost respect to the recommendations of the Independent Panel. In this case, if it is determined that it would be appropriate in practice to directly confirm the will of the shareholders, the Company may hold a Shareholder Referendum Meeting to confirm the will of the shareholders with respect to whether or not to trigger countermeasures against the Large-scale Purchase.

Upon making such a decision, the Board shall immediately notify the Large-scale Purchaser and disclose to the shareholders a summary of the decision and other matters deemed appropriate by the Board.

(4) Summary of countermeasures

As countermeasures under the Plan, in principle, the Board will conduct a gratis allotment of the Rights according to Attachment 2. “Terms and Conditions of Share Acquisition Rights.” Share acquisition rights will be allotted to shareholders (excluding the Company) who are recorded or registered in the Company’s final register of shareholders on a certain date (hereinafter referred to as the “Allotment Date”) to be determined in the Board meeting that resolves the gratis allotment of the Rights, at a rate of at least one (1) Right per share held by those shareholders, with the number of share acquisition rights per share to be determined by the Board.

The value of property to be contributed (in cash) upon the exercise of each Right (exercise price) is ¥1, and upon the exercise of one (1) Right, a number of shares of common stock of the Company not exceeding one (1) share, as determined by the Board (when adjusted, the number of shares after adjustment), will be delivered to the holders of the Rights (hereinafter the “Rights Holders”). If the number of shares to be delivered to the Rights Holders upon exercise of the Rights includes a fraction of less than one (1) share, the Company will process the fraction in accordance with applicable laws and regulations.

However, the Large-scale Purchaser and its related parties shall not be able to exercise the Rights.

In addition to the acquisition through exercise of the Rights, the Company may, under certain conditions, acquire the Rights from the Rights Holders, excluding the Large-scale Purchaser and its related parties in exchange for shares of common stock of the Company, pursuant to the acquisition clauses attached to the Rights. The Company may also acquire all of the Rights without consideration under certain conditions.

The acquisition of the Rights by transfer requires the approval of the Board.

Upon triggering countermeasures under the Plan, the Board shall disclose matters that the Board deems appropriate to the shareholders in a timely and appropriate manner.

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

The effective period of the Plan shall be the period from the conclusion of this Shareholder Meeting until the conclusion of the Annual General Meeting of Shareholders of the Company for the fiscal year ending March 31, 2026. Even before the expiration of the effective period, however, the Plan shall be abolished immediately if (i) a resolution to abolish the Plan is passed by the Company’s General Meeting of Shareholders or (ii) a resolution to abolish the Plan is passed by the Board.

Moreover, even during the effective period of the Plan, the Board may make technical revisions or modifications to the Plan to the extent delegated by resolution of this Shareholder Meeting, taking into account the opinions of the Independent Panel as necessary.

The Plan is based on the provisions of laws and regulations in effect as of May 12, 2023. In the event that any establishment, revision or abolition of laws and regulations after that date necessitates amendments to the provisions of the Plan, the wording of the Plan shall be replaced as appropriate in accordance with the purpose of such laws and regulations and to the extent that it does not contradict the basic concept of the Plan.

If the Plan is abolished, revised or modified, the Company will promptly disclose the fact that such abolition, revision or modification has taken place, and other matters deemed appropriate by the Board.

With regard to the details of the Plan after the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2026 and beyond, the Company plans to confirm the will of the shareholders regarding whether or not to renew the Plan or to introduce plans with new contents, after conducting necessary reviews.

3. Impact on shareholders and investors

(1) Impact on shareholders and investors at the time of renewal to the Plan

As the countermeasures themselves will not be implemented at the time of renewal to the Plan, there will be no direct, specific impact on the legal rights or economic interests of the shareholders and investors.

(2) Impact on shareholders and investors due to the gratis allotment of the Rights

As the Rights will be allotted without consideration to the shareholders on the Allotment Date at a rate of one (1) or more Rights for each share held, with the number to be determined by the Board, as long as the exercise of those Rights is assumed, there will be no dilution of the value of shares of the Company held by shareholders as a whole.

If a shareholder does not exercise its Rights during the exercise period of the Rights, the value of the shares held by the shareholder will be diluted as a result of the exercise of the Rights by other shareholders. However, by decision of the Board, the Company may acquire the Rights from shareholders who are not prohibited from exercising the Rights under the Terms and Conditions of Share Acquisition Rights and deliver to those shareholders shares of common stock of the Company in exchange, following the procedures stated in (4) (ii) below. In the event that the Company undertakes such acquisition procedures, shareholders who are not prohibited from exercising their Rights under the Terms and Conditions of Share Acquisition Rights will receive shares of common stock of the Company without exercising the Rights or paying the cash amount equivalent to the exercise price, and, although dilution of the value per share of shares held by those shareholders will occur, the value of shares of the Company held as a whole will not be diluted.

If, after the shareholders who will receive a gratis allotment of the Rights have been finalized, the Company cancels the gratis allotment of the Rights or acquires without consideration the Rights that have been allotted accordingly, dilution of the value per share of the Company's shares will not occur. For this reason, there is a possibility that investors who have traded the Company's shares on the assumption that there would be a dilution of the value per share of the Company's shares may incur commensurate damage due to share price fluctuations.

(3) Impact on shareholders and investors upon the exercise or acquisition of the Rights after the gratis allotment of the Rights

As the Company plans to impose discriminatory conditions regarding the exercise or acquisition of the Rights, upon such exercise or acquisition, a dilution is expected of the legal rights and economic interests of the Large-scale Purchaser and its related parties. However, even in such an event, a direct impact is not expected on the legal rights and economic interests of the shareholders and investors other than the Large-scale Purchaser and its related parties. Yet, the shareholders should note that, because the transfer of the Rights themselves is restricted, in the event that shares of common stock of the Company are delivered to shareholders as a result of the exercise of the Rights or their acquisition by the Company after the Allotment Date, during the period until the shares of common stock of the Company are recorded in the shareholders' transfer accounts, the recovery of invested capital due to transfer may be restricted for the portion of the value of the Company's shares held by shareholders attributable to the Rights, to the extent of that period.

- (4) Procedures required for shareholders due to the gratis allotment of the Rights
- (i) Procedures for the exercise of the Rights

In the event that the Board passes a resolution to conduct a gratis allotment of share acquisition rights as a countermeasure, as a general rule, the Company will send to shareholders recorded or registered in the final shareholder register of the Company on the Allotment Date an Exercise Request Form (this shall be a written document in a format prescribed by the Company that includes the details and number of the Rights to be exercised, date of exercise of the Rights, transfer account for the recording of the Company's shares (excluding special accounts), and other necessary particulars, as well as representations and warranties regarding matters such as that the shareholder itself fulfills the conditions for exercise of the Rights, indemnity clauses, and other covenants) and other documents necessary for the exercise of the Rights. After the gratis allotment of the Rights, upon submission of these documents within the exercise period, the shareholder will, by paying to the location that handles the payment an amount of ¥1 for each of the Rights, be delivered one (1) share or less of common stock of the Company for each of its Rights, with the number of shares to be determined by the Board (when adjusted, the number of shares after adjustment).

Under the provisions of the Act on Book-Entry of Corporate Bonds and Shares, shares of common stock of the Company delivered as a result of the exercise of the Rights cannot be recorded in special accounts. For this reason, when exercising the Rights, the shareholders should be mindful of the need to open a transfer account such as a securities account.

- (ii) Procedures for the acquisition of the Rights by the Company

In the event that the Board decides to acquire the Rights, in accordance with statutory procedures, the Company will pass a resolution of the Board for each acquisition clause if there are multiple acquisition clauses and issue a public notice to the Rights Holders, after which the Company will acquire the Rights. In addition, if the Company has decided to deliver shares of common stock of the Company to the shareholders in exchange for the acquisition of the Rights, it will deliver those shares as soon as possible. In such an event, the shareholders may be asked to submit to the Company, in a format prescribed by the Company, documents including representations and warranties regarding matters such as that the shareholder itself is not a Large-scale Purchaser or a related party of a Large-scale Purchaser, indemnity clauses, and other covenants.

In addition to the above, regarding details of matters such as allotment method, exercise method, and method of acquisition of the Rights by the Company, the Company will disclose to or notify the shareholders of such details after the Board has passed a resolution for the gratis allotment of the Rights. The shareholders are therefore asked to confirm those details.

IV. Reasonableness of the Plan (the fact that the Plan is in line with Basic Policy, is not detrimental to the common interests of the Company's shareholders, and is not designed to maintain the position of the Company's corporate officers, and the reasons therefor)

For the following reasons, the Board believes that the Plan is in line with the realization of the Basic Policy in I. above, and that it is not detrimental to the common interests of the Company's shareholders or designed to maintain the position of the Company's corporate officers.

1. The Plan fully satisfies the requirements of the Guidelines Regarding Takeover Defense, etc.

The Plan fully satisfies the three principles set out in the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests”—Principle of protecting and enhancing corporate value and shareholders’ common interests, Principle of prior disclosure and shareholders’ will, and Principle of ensuring the necessity and reasonableness—released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. The Plan is also consistent with the intent of the various rules concerning the introduction of takeover defense measures set forth by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. Furthermore, the Plan also takes into account the contents of a report on “Takeover Defense Measures in Light of Recent Environmental Changes” of the Corporate Value Study Group, a group set up under the Ministry of Economy, Trade and Industry, published on June 30, 2008.

2. The renewal is intended to secure and enhance corporate value and the common interests of shareholders

As stated in III. above, the purpose of the renewal to the Plan is to secure and enhance the corporate value of the Company and the common interests of its shareholders in the event that such a Large-scale Purchase of the Company’s share certificates, etc. is proposed, by securing the necessary information and time to allow the shareholders to make a decision on whether or not to accept the proposal for the Large-scale Purchase and for the Board to present an alternative proposal for the shareholders and to negotiate with the Large-scale Purchaser.

3. The Plan values the will of the shareholders

To ensure opportunities to reflect the will of the shareholders appropriately, the renewal to the Plan is subject to the approval of the shareholders at this Shareholder Meeting. As stated in III.2.(2) above, a proposal for the approval of the Plan will be put before this Shareholder Meeting, and if this proposal is not approved, the renewal to the Plan will not be made. Furthermore, even before the expiration of the effective period, the Plan will be abolished immediately if a resolution to abolish the Plan is passed by the General Meeting of Shareholders of the Company. In that respect, the will of the shareholders will be reflected not only in the renewal to the Plan but also in the continued existence of the Plan.

As a premise for shareholders to entrust the Board to make the decision of whether or not to trigger countermeasures based on the Plan, the Plan sets forth specific conditions for triggering countermeasures on each occasion and presents those conditions to the shareholders. Furthermore, as stated in III.2.(3)(vi)iii. above, when passing a resolution for the triggering of countermeasures according to the Plan, in addition to consulting the Independent Panel, if it is determined that it would be appropriate in practice to directly confirm the will of shareholders, the Board may hold a Shareholder Referendum Meeting for that purpose. Accordingly, the triggering of countermeasures in line with these conditions for triggering would reflect the will of the shareholders.

4. Emphasis on the judgment of highly independent external parties

As stated in III.2.(3)(iv) above, upon the renewal to the Plan, to guarantee the reasonableness and fairness of the decisions of the Board, the Company has established an Independent Panel as a body that is independent from the Board.

The Board shall make decisions by paying the utmost respect to the recommendations of the Independent Panel, thereby preventing the Board from arbitrarily triggering countermeasures. In addition, an overview of the Panel’s decision shall be disclosed to the shareholders in a timely and appropriate manner. This ensures a structure to implement the Plan consistently with the Company’s corporate value and the common interests of its shareholders.

5. Establishment of reasonable and objective requirements

As stated in III.2.(3) above, the Plan is designed so that it will not be implemented unless it satisfies pre-determined reasonable and objective requirements. This ensures a structure to prevent the Board from arbitrarily triggering countermeasures.

6. Obtaining advice from third-party experts of independent standing

As stated in III.2.(3)(iii) and III.2.(3)(v) above, under the Plan, if a Large-scale Purchaser emerges, the Board and the Independent Panel may, at the Company's expense, obtain advice from third parties independent of the Company (including investment banks, securities firms, financial advisors, attorneys-at-law, certified public accountants and other experts). This ensures a structure to more strongly guarantee the fairness and reasonableness of decisions by the Board and the Independent Panel.

7. No dead-hand or slow-hand takeover defense measures

As stated in III.2.(5) above, the Plan has been designed so that it may be abolished at any time by a resolution of the Board comprising Directors elected by the General Meeting of Shareholders of the Company. Therefore, the Plan is not a dead-hand takeover defense measure—a measure that does not allow its triggering to be prevented even if a majority of the members of the Board were to be replaced.

Furthermore, as the term of office of the Company's Directors is one (1) year and the Company does not adopt a staggered terms of office system, the Plan is also not a slow-hand takeover defense measure—a measure that requires time for its triggering to be prevented because the members of the Board cannot be replaced all at once.

Names and Career Summaries of Members of the Independent Panel

Mutsuo Masuda	Born in 1944
April 1969	Joined The Norinchukin Bank
June 2004	Representative Director and Vice President, The Norinchukin Bank
June 2005	Retired from The Norinchukin Bank
September 2007	Chairman, Agriculture Management Support Study Group
September 2008	Chairman, Eiraku Co., Ltd.
September 2009	Chairman, Japan Food & Agriculture Cooperative Organization (“JFACO”) (current)
June 2015	Outside Director, the Company
June 2016	Outside Director (Audit & Supervisory Committee Member), the Company (current)
Hirofumi Hata	Born in 1951
October 1979	Joined Yagi and Asano Auditing Office (currently Ernst & Young ShinNihon LLC)
May 1999	Representative Partner, Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
July 2007	Director, The Japanese Institute of Certified Public Accountants
June 2014	Retired from Ernst & Young ShinNihon LLC
July 2014	Managing Partner, Hirofumi Hata Certified Public Accountant Firm (current)
June 2015	Outside Director, the Company
June 2015	Outside Auditor, Sato Foods Industries Co., Ltd.
June 2016	Outside Director (Audit & Supervisory Committee Member), the Company (current)
June 2017	Outside Director, Sato Foods Industries Co., Ltd. (current)
Tokimitsu Ito	Born in 1954
July 2006	Director, Office of Public Relations, Management and Co-ordination Department, Nagoya Regional Taxation Bureau
July 2012	Director, Co-ordination Division, Management and Co-ordination Department, Nagoya Regional Taxation Bureau
July 2014	District Director, Nagoya Naka Tax Office
August 2015	Managing Partner, Tokimitsu Ito Certified Public Tax Accountant Firm (current)
June 2016	Outside Audit & Supervisory Board Member, Utsuno Co., Ltd. (current)
June 2016	Outside Director (Audit & Supervisory Committee Member), the Company (current)
Yoko Yamashita	Born in 1978
October 2005	Admitted to the bar (Aichi Bar Association), joined Kochi Law Office
April 2010	Attorney-at-law, Obama Himawari Foundation Law Office
June 2012	Partner, Attorney-at-law, Imai Law Office (current)

Mr. Mutsuo Masuda, Mr. Hirofumi Hata, and Mr. Tokimitsu Ito are Outside Directors of the Company as set forth in Article 2, Item 15 of the Companies Act and Independent Directors as set forth in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. Ms. Yoko Yamashita is a candidate for Outside Director as set forth in Article 2, Paragraph (3), Item 7 of the Regulations for Enforcement of the Companies Act in the proposal for the election of Directors (excluding Directors who are Audit & Supervisory Committee Members) put forward to this Shareholder Meeting, and she has also been filed as a candidate for Independent Director. There are no special interests between Mr. Mutsuo Masuda, Mr. Hirofumi Hata, Mr. Tokimitsu Ito, and Ms. Yoko Yamashita and the Company.

Terms and Conditions of Share Acquisition Rights

1. Shareholders eligible for grant of share acquisition rights and issuance conditions

Shareholders (excluding the Company) recorded or registered in the final shareholder registry on a certain date (hereinafter, the “Allotment Date”) determined in the Board meeting that resolves the gratis allotment of share acquisition rights stated in these terms and conditions (hereinafter, the “Gratis Allotment Resolution”) shall be allotted one (1) or more share acquisition rights for each share held by those shareholders, with the number to be determined by the Board.

2. Total number of share acquisition rights to be issued

The total number of share acquisition rights to be allotted shall be a number determined by the Board that is equal to or greater than the final total number of outstanding shares of common stock of the Company (excluding the number of shares of common stock of the Company held by the Company) on the Allotment Date.

3. Effective date of gratis allotment of share acquisition rights

The effective date of allotment shall be the date determined in the Gratis Allotment Resolution.

4. Class and number of shares underlying share acquisition rights

The class of shares underlying share acquisition rights shall be shares of common stock of the Company, and the number of shares underlying each share acquisition right (hereinafter, the “Number of Underlying Shares”) shall be one (1) share or less, with the number to be determined by the Board. However, if the Number of Underlying Shares is to be adjusted pursuant to Paragraph 5 below, the total number of shares underlying share acquisition rights shall be adjusted in line with the Number of Underlying Shares after that adjustment.

5. Adjustment of number of shares underlying share acquisition rights

- (i) If, after the Allotment Date, the Company conducts a stock split or reverse stock split, or merger or company split, etc., the Number of Underlying Shares shall be adjusted as necessary, taking into account the terms and conditions of such transactions, etc.
- (ii) If the Number of Underlying Shares is to be adjusted, the Company shall give written notice to each Rights Holder or give public notice in a manner prescribed in the Articles of Incorporation of the necessary particulars in advance, including the fact of that adjustment, the reasons for it, the Number of Underlying Shares before and after the adjustment, and date on which the adjustment will be applied. However, if the Company is unable to make such notification or publication by the day prior to the date of application, it shall do so as soon as possible after the date of application.

6. Amount to be paid for share acquisition rights

The share acquisition rights shall be allotted without consideration.

7. Value of property to be contributed upon exercise of share acquisition rights

The value of property to be contributed (in cash) upon exercise of each share acquisition right (hereinafter, the “Exercise Price”) shall be ¥1.

8. Exercise period for share acquisition rights

The period for the exercise of share acquisition rights shall be determined in the Gratis Allotment Resolution, commencing on the date thereby determined (hereinafter, the “Exercise Period Commencement Date”). However, if the Company is to acquire share acquisition rights according to Paragraph 10 below, the share acquisition rights may not be exercised from the date of the notification or publication on such acquisition until the date of the acquisition. If the final day of the exercise period is a bank holiday, the next bank business day shall be the final day.

9. Conditions for exercise of share acquisition rights

- (i) In these terms and conditions, the following words and phrases shall have the meanings set forth below, unless otherwise specified.
 - a. “Specified shareholder” refers to a person for whom, as a result of the purchase or other acquisition of the Company’s share certificates, etc. for value or any acts similar thereto, either
 - I. the sum of their holding ratio of share certificates, etc. of the Company, or
 - II. the sum of the ownership ratio of share certificates, etc. of the Company that are owned or will be owned by the person conducting the purchase or other acquisition of the Company’s share certificates, etc. for value or any acts similar thereto and the ownership ratios of share certificates, etc. of the Company that are owned by specially related parties of that person is 20% or more.
 - b. “Share certificates, etc.” in Item a. I. refers to share certificates, etc. as provided in Article 27-23, Paragraph (1) of the Financial Instruments and Exchange Act (hereinafter the “Act” in this item), unless otherwise specified. “Share certificates, etc.” in Item a. II. refers to share certificates, etc. as provided in Article 27-2, Paragraph (1) of the Act.
 - c. “Holder” refers to a holder as provided in Article 27-23, Paragraph (1) of the Act and includes persons deemed to be holders under Paragraph (3) of the same article.
 - d. “Holding” refers to holding as provided in Article 27-23, Paragraph (4) of the Act
 - e. “Holding ratio of share certificates, etc.” refers to holding ratio of share certificates, etc. as provided in Article 27-23, Paragraph (4) of the Act.
 - f. “Ownership” refers to ownership as provided in Article 27-2, Paragraph (1) of the Act.
 - g. “Specially related party” refers to a specially related party as provided in Article 27-2, Paragraph (7) of the Act. However, persons provided in Article 3, Paragraph (2) of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other than Issuers shall be excluded from persons provided in Item (i) of the same paragraph of the Act.
 - h. “Ownership ratio of share certificates, etc.” refers to ownership ratio of share certificates, etc. as provided in Article 27-2, Paragraph (8) of the Act.

- (ii) The persons set forth below shall not be able to exercise share acquisition rights.
Specified shareholders, their joint shareholders (refers to joint holders as provided in Article 27-23, Paragraph (5) of the Financial Instruments and Exchange Act, and includes persons deemed to be joint holders under Paragraph (6) of the same article) or their specially related parties, or other parties that the Board has judged to be substantively controlling, be substantively controlled by, be under common control by, or be acting jointly and in concert with these parties (however, this shall not apply if the Board determines that the acquisition or holding of share certificates, etc. of the Company by such party would not damage the corporate value of the Company or the common interests of its shareholders)
- (iii) Even if a Rights Holder is not able to exercise its share acquisition rights pursuant to the provisions of (ii) above, the Company shall bear no responsibility whatsoever for any compensation for damages or any other responsibility toward that Rights Holder.
- (iv) Partial exercise of share acquisition rights is not permitted.

10. Acquisition of share acquisition rights by the Company

- (i) The Company may, on a date determined by the Board, acquire all share acquisition rights without consideration, at any time on or after the day following the effective date of the gratis allotment of share acquisition rights (however, if the Board has determined another date instead of that date, that determined date) until and including the day prior to the Exercise Period Commencement Date if the Board judges such acquisition to be appropriate.
- (ii) The Company may, on a date determined by the Board in the period until and including the end of the exercise period for share acquisition rights in Paragraph 8 above, acquire the share acquisition rights of persons who are able to exercise their share acquisition rights under Paragraph 9 above in exchange for shares of common stock of the Company at a rate of the Number of Underlying Shares per share acquisition right.
- (iii) The Board may, in the Gratis Allotment Resolution, decide an acquisition clause to the effect that the Company will acquire the share acquisition rights held by persons who are not able to exercise their share acquisition rights under the provisions of Paragraph 9(ii) above, with other share acquisition rights that have certain conditions for exercise and acquisition clauses provided as consideration.

11. Exercise of voting rights in General Meetings of shareholders by shareholders who have newly acquired the Company's shares as a result of the exercise of share acquisition rights or their acquisition by the Company

Shareholders who have newly acquired shares in the Company after the record date set forth by the Company as a result of the exercise of share acquisition rights or their acquisition by the Company may exercise their voting rights in General Meetings of shareholders.

12. Restrictions on transfer of share acquisition rights

The acquisition of share acquisition rights through transfer requires the approval of the Board.

13. Delivery of share acquisition rights in the event of merger, company split, share exchange, or share transfer and the conditions thereof

This shall be decided by the Board in the Gratis Allotment Resolution.

14. Non-issuance of certificates of share acquisition rights

Certificates of share acquisition rights will not be issued.

15. Increase in share capital and legal capital surplus in the event that new shares are issued due to the exercise of share acquisition rights

In the event that new shares of common stock of the Company are issued through the exercise of share acquisition rights, share capital shall be increased by the full amount of the Exercise Price, and legal capital surplus shall not be increased.

16. Methods of requesting the exercise of share acquisition rights and paying the exercise price

Persons seeking to exercise their share acquisition rights shall complete a designated Exercise Request Form (this shall be a written document in a format prescribed by the Company that includes the details and number of the share acquisition rights to be exercised, date of exercise of the share acquisition rights, transfer account for the recording of the Company's shares (excluding special accounts), and other necessary particulars, as well as representations and warranties regarding matters such as that the shareholder itself fulfills the conditions for exercise of the share acquisition rights, indemnity clauses, and other covenants), sign and seal the Form, and submit the Form, along with documents required for the exercise of the share acquisition rights as prescribed separately, as necessary, and any other documents (hereinafter, "Attached Documents") required from time to time under the Companies Act, the Financial Instruments and Exchange Act and their related laws and regulations (including rules, etc. set forth by the Japan Securities Dealers Association and Japan's securities exchanges) to the location that handles the payment within the period set forth in Paragraph 8 above, as well as paying cash amount equivalent to the full amount of the Exercise Price of the share acquisition rights pertaining to such exercise to the location that handles the payment.

17. Timing of effectiveness of exercise of share acquisition rights

The exercise of share acquisition rights shall take effect when the Exercise Request Form and Attached Documents in Paragraph 16 above have arrived at the location that handles the payment and the cash equivalent to the full amount of the Exercise Price of the share acquisition rights pertaining to such exercise is paid in to the location that handles the payment.

18. Revisions to laws and regulations, etc.

In the event that any establishment, revision, or abolition of laws and regulations after the gratis allotment of share acquisition rights necessitates amendments to the provisions of these terms and conditions, the provisions of these terms and conditions shall be reasonably replaced upon consideration of the purpose and wording of such establishment, revision, or abolition.

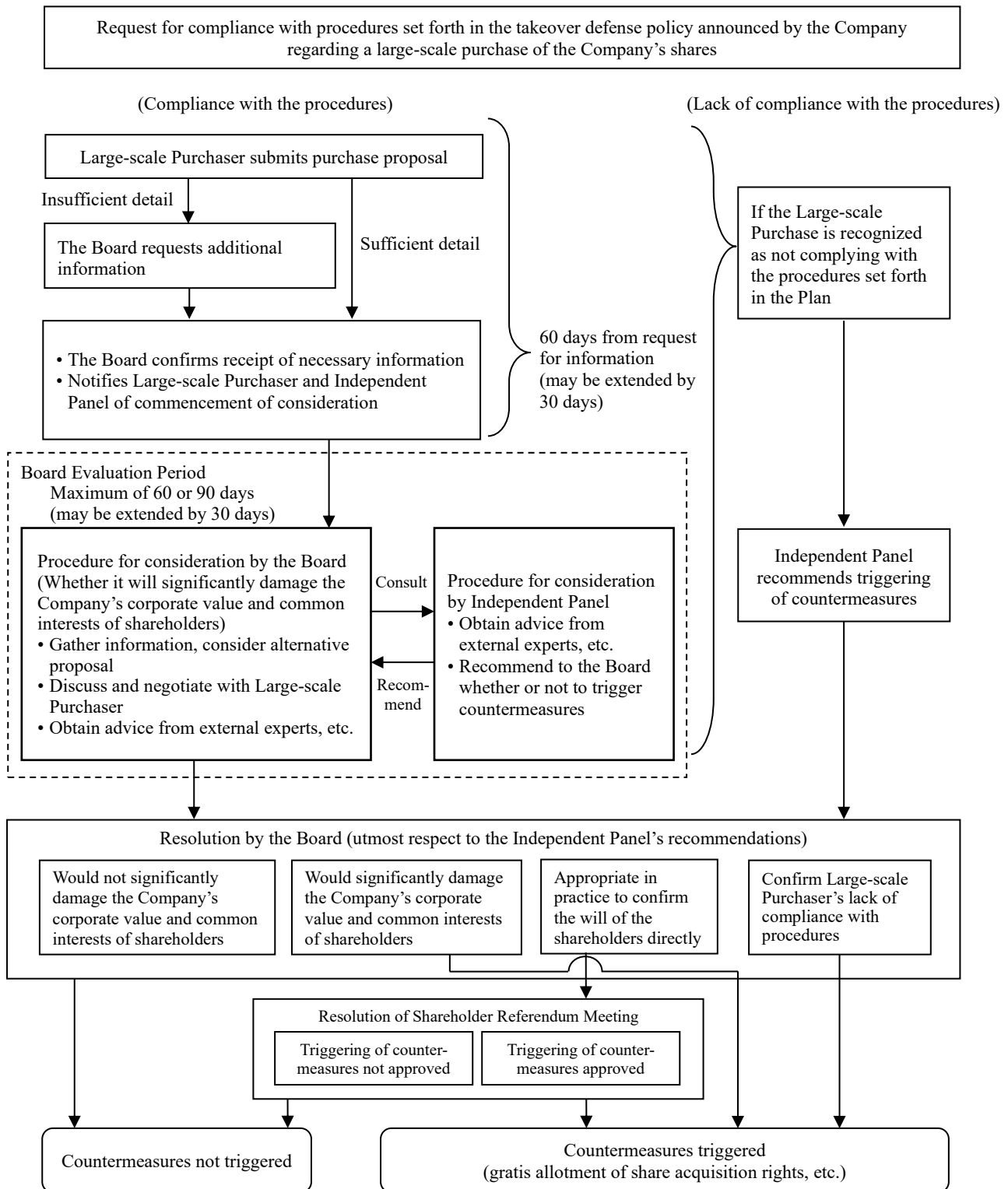
Major Shareholders

The major shareholders of the Company as of March 31, 2023 are as follows.

Rank	Name	Number of shares held (shares)	Ownership ratio to total outstanding shares (excluding treasury stock) (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	5,170,500	9.61
2	Custody Bank of Japan, Ltd. (Trust Account)	3,093,117	5.75
3	Ito Youth Scholarship Foundation	2,910,000	5.41
4	Shiunsha Co., Ltd.	2,730,272	5.07
5	The Norinchukin Bank	2,542,800	4.72
6	The Juroku Bank	2,536,240	4.71
7	Masami Tashiro	1,389,846	2.58
8	Retail Partners Co., Ltd.	1,260,000	2.34
9	Arcs Group Co., Ltd.	1,260,000	2.34
10	MUFG Bank, Ltd.	1,223,240	2.27

- Notes: 1. The ownership ratio to total outstanding shares are displayed by rounding them down to the second decimal place.
2. In addition to the above, the Company holds 201,357 shares of treasury stock.

Flowchart at Initiation of a Large-scale Purchase



Note: This flowchart is an overview of the Plan's procedures. For details, please refer to the main text.