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To Our Shareholders

1-1-8 Shibuya, Shibuya-ku, Tokyo  
FAN Communications, Inc.

Koji Ninomiya. President and Representative Director

## Invitation to Attend the 27th Annual General Meeting of Shareholders

Thank you for your continued support and for the confidence you have placed in us.

We are pleased to inform you of the 27th Annual General Meeting of Shareholders, which has been scheduled as follows.

In convening this General Meeting of Shareholders, the Company has taken measures for the electronic provision of information that is the contents of the Information Materials for the General Meeting of Shareholders (matters to be provided electronically), which are posted on each of the following websites on the Internet, and we would appreciate it if you could access any of these websites and check the contents.

For this General Meeting of Shareholders, regardless of whether or not a request for delivery of the documents has been made, the Company will uniformly send a document containing the matters to be provided electronically to all shareholders.

[The Company's website]  
<https://www.fancs.com>



(Please access the above website and select "News," and check the "IR RELEASE.")

[Website for General Meeting of Shareholders materials]  
<https://d.sokai.jp/2461/teiji/>



[Website for the Tokyo Stock Exchange (Listed Company Search)]  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



(Please access the above TSE website, enter "Fan Communications" in the "Issue name (company name)" field or our securities code "2461" in the "Code" field, select "Basic information" and then "Documents for public inspection/PR information," and check the "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting" in the "Filed information available for public inspection" field.)

Instead of attending the meeting in person, you may exercise your voting rights by any of the following methods. We ask that you exercise your voting rights after reviewing the Information Materials for the General Meeting of Shareholders.

[Exercising voting rights via postal mail]

Please indicate your approval or disapproval of the proposals on the enclosed shareholder voting form sent together with this notice, and return it by postal mail so that it arrives no later than Tuesday, March 24, 2026, at 6:00 p.m. (JST).

Please note that if you attend the venue on the day of the meeting, any prior voting will be treated as withdrawn.

[Exercising voting rights via the Internet, etc.]

Please access the company's website for exercising voting rights (<https://www.web54.net>), enter the "Voting Rights Use Code" and "Password" printed on the enclosed shareholder voting form sent together with this notice, follow the on-screen instructions, and indicate your approval or disapproval of the proposals by Tuesday, March 24, 2026, at 6:00 p.m. (JST).

When exercising voting rights via the Internet, etc., please review "Guidelines for Exercising Voting Rights via the Internet, etc." on page 4

#### Details

1. Date and Time: Wednesday, March 25, 2026, at 10:00 a.m. (The reception desk opens at 9:30 a.m.)
2. Venue: Shibuya Solasta Conference 4D, Shibuya Solasta 4F, 1-21-1 Dogenzaka, Shibuya-ku, Tokyo
3. Agenda
  - Matters for reporting
    1. Business report, consolidated financial statements, and audit reports of the Accounting Auditors and the Audit and Supervisory Board concerning the consolidated financial statements for the 27th business year (from January 1, 2025 to December 31, 2025)
    2. Non-consolidated financial statements for the 27th business year (from January 1, 2025 to December 31, 2025)
  - Matters for resolution
    - Proposal No. 1: Appropriation of Retained Earnings
    - Proposal No. 2: Partial Change to Articles of Incorporation
    - Proposal No. 3: Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Board Members)
    - Proposal No. 4: Determination of Remuneration for Performance-Condition Restricted Stock Compensation and Time-Vesting Restricted Stock Compensation to Directors (Excluding Members of the Audit and Supervisory Committee and Outside Directors)

4. Matters to be determined at the convocation of the meeting (information on the exercise of voting rights)
  - (1) If you exercise your voting rights in writing (by mail) and do not indicate your approval or disapproval of the proposals, it will be treated as if you indicated your approval.
  - (2) If you exercise your voting rights more than once via the Internet, etc., the last exercise of voting rights shall be treated as a valid exercise of voting rights.
  - (3) If you exercise your voting rights both via the Internet, etc. and in writing (by post), the vote cast via the Internet, etc., will be treated as valid, regardless of the date of arrival.

End of text.

Attending shareholders are requested to present the shareholder voting form on the day of the Meeting at the reception desk of the venue.

The following items among the items to be provided electronically are not included in the paper document to be sent pursuant to the provisions of laws and regulations and Article 13 of the Articles of Incorporation of the Company.

(1) "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" for the consolidated financial statements

(2) "Non-Consolidated Statement of Changes in Equity" and "Notes to the Non-Consolidated Financial Statements" for the non-consolidated financial statements

Accordingly, the consolidated financial statements and non-consolidated financial statements included in this document are a part of the documents which were audited by the Accounting Auditor in preparing their audit report and by the Audit and Supervisory Board in preparing their audit report.

In the event of any modification to the matters to be provided electronically, a notice to that effect and items before and after the modification will be posted on each of the above websites.

## Guidelines for Exercising Voting Rights via the Internet, etc.

Please understand the following items upon exercising voting rights via the Internet, etc.

### 1. Website for exercising voting rights

You may exercise voting rights through the Internet, etc. only through the designated website for exercising voting rights below.

Address of website for exercising voting rights: <https://www.web54.net>



### 2. Exercising voting rights

(1) When exercising voting rights via the Internet, etc., please use the "Voting Rights Use Code" and "Password" included in the enclosed shareholder voting form sent together with this notice, follow the on-screen instructions, and indicate your approval or disapproval of the proposals.

(2) The deadline to exercising voting rights is Tuesday, March 24, 2026, at 6:00 p.m. (JST). Please exercise voting rights as early as possible.

(3) If you exercise voting rights both via postal mail and the Internet, etc., the Company shall treat the vote through the Internet, etc. as valid.

If you vote on the same items multiple times via the Internet, etc., the Company shall treat the most recent vote as valid.

(4) The shareholder shall be responsible for all fees that may arise from accessing the website for exercising voting rights, including fees from telecommunications carriers and providers (connection fees).

### 3. Handling of Password and Voting Rights Use Code

(1) The Password is an important item of information used to confirm that the person voting is the shareholder.

Please handle this information as carefully as personal seals and PIN numbers.

(2) The Password will be rendered unusable if it is mistakenly entered a certain number of times. When you wish to receive a new Password, please follow the on-screen instructions.

(3) The Voting Rights Use Code included in the shareholder voting form is only usable for this General Meeting of Shareholders.

### 4. Questions regarding use of computers and other devices

(1) If you are unsure how to operate a computer or other devices in order to exercise voting rights through the above website, please contact the following number.

Stock Transfer Agency Web Support Desk by Sumitomo Mitsui Trust Bank, Limited

[Phone] 0120 (652) 031 (hours of service: 9:00 a.m. to 9:00 p.m.)

(2) Please use the following number for other inquiries.

A. Shareholders with an account at a securities company

For shareholders who hold an account at a securities company, please send an inquiry to the securities company.

B. Shareholders without an account at a securities company (shareholders holding a special account)

Stock Transfer Agency Center, Sumitomo Mitsui Trust Bank, Limited

[Phone] 0120 (782) 031 (hours of service: 9:00 a.m. to 5:00 p.m. excluding Saturday, Sunday, and holidays)

### 5. Use of the Electronic Voting Platform (for institutional investors)

Institutional investors may also exercise their voting rights at this General Meeting of Shareholders via the Electronic Voting Platform operated by ICJ, Inc.

## Information Materials for the General Meeting of Shareholders

### Proposal No. 1: Appropriation of Retained Earnings

The following appropriation of retained earnings is proposed.

#### Matters concerning the year-end dividend

With regard to the year-end dividend for the 27th business year, the following appropriation of retained earnings is proposed, with consideration given to the business results of the fiscal year under review, future business development, etc.

#### (1) Type of dividend funds

Cash

#### (2) Matters concerning the allocation of dividend funds and total amount

It is proposed to pay a dividend of 19 yen per share of common stock of the Company.

The total dividend amount under this proposal is 1,259,898,151 yen.

#### (3) Date proposed for the dividend of retained earnings to take effect

March 26, 2026

Proposal No. 2: Partial change to Articles of Incorporation

1 . Purpose of changes

The Company's Articles of Incorporation already stipulate that interim dividends can be paid by a resolution of the Board of Directors, but these changes are being made to enable flexible decisions by the Board of Directors regarding the overall dividends of retained earnings, including year-end dividends. This will allow the Company to flexibly implement capital and shareholder return policies throughout the year in response to changes in the business environment.

2. Details of changes

The details of the changes are as follows:

The amendments to the Articles of Incorporation in this proposal will become effective at the conclusion of this General Meeting of Shareholders.

(The underlined parts indicate the changes.)

Current Articles of Incorporation	Proposed Change
<p>Chapter 7. Accounting</p> <p><u>Article 36 (Dividends of Retained Earnings)</u>  <u>The Company may, by a resolution of the General Meeting of Shareholders, issue dividends of retained earnings in cash to the shareholders or registered share pledgees recorded in the final shareholders' register as of December 31 of each year.</u></p>	<p>Chapter 7. Accounting</p> <p>(Deletion)</p>
<p><u>Article 37 (Interim Dividends)</u>  <u>The Company may, by a resolution of the Board of Directors, issue dividends of retained earnings as provided in Article 454, paragraph (5) to the shareholders or registered share pledgees recorded in the final shareholders' register as of June 30 of each year.</u></p>	<p>(Deletion)</p>
<p>(New)</p>	<p><u>Article 36 (Decision-making Body for Dividends of Retained Earnings)</u>  <u>The Company may determine the matters provided in each item of Article 459, paragraph (1) of the Companies Act, including dividends of retained earnings, by resolution of the Board of Directors, except as otherwise provided by laws and regulations.</u></p>
<p>(New)</p>	<p><u>Article 37 (Record Date for Dividends of Retained Earnings)</u>  <u>1. The dates of record for dividends of retained earnings are December 31 and June 30 of each year.</u>  <u>2. Separately from the preceding paragraph, the Company may define a date of record and issue dividends of retained earnings.</u></p>

Proposal No. 3: Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Board Members)

The term of office of all five (5) Directors (excluding Directors who are Audit and Supervisory Board Members) will expire upon the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of five (5) Directors (excluding Directors who are Audit and Supervisory Board Members).

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company [Significant concurrent positions held]	Number of shares of the Company held
1	Re-election  Koji Ninomiya (March 11, 1979)	Apr. 2004 Joined the Company Jan. 2011 General Manager of ADN Promotion in the MC Business Mar. 2012 General Manager of ADN Business Apr. 2013 Operating Officer (current position) Mar. 2015 Director Mar. 2024 President (current position) (Position and responsibility in the Company) President, Operating Officer In charge of Internal Audit Office In charge of 2nd Sales Department In charge of Product Management Division In charge of Media Development Division	67,200
2	Re-election  Takashi Yoshinaga (February 18, 1981)	Apr. 2005 Joined the Company July 2008 General Manager of New Development for A8 Business Oct. 2011 General Manager of A8 Business Apr. 2013 Operating Officer (current position) Mar. 2015 Director Mar. 2025 Director and Vice President (current position) (Position and responsibility in the Company) Director and Vice President, Operating Officer In charge of DX Division In charge of Fan Based Marketing Division In charge of Business Support Division Head of Corporate Department General Manager, Human Resource Division [Significant concurrent positions held] Director of FAN Communications Global, Inc. Director of WAND Co., Ltd.	23,500

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company [Significant concurrent positions held]	Number of shares of the Company held
3	<p style="text-align: center;">Re-election</p> <p style="text-align: center;">Masato Kato (November 7, 1983)</p>	<p>Feb. 2009    Joined the Company</p> <p>Mar. 2012    General Manager of Sales Promotion in the ADN Business</p> <p>Jan. 2015    General Manager of nex8 Business</p> <p>July 2019    General Manager of AD Platform Business</p> <p>Apr. 2022    Operating Officer (current position)</p> <p>Apr. 2023    General Manager of Corporate Design</p> <p>Jan. 2025    General Manager of A8 Business</p> <p>Mar. 2025    Director (current position) (Position and responsibility in the Company) Director, Operating Officer Head of General Manager, 1st Sales Department General Manager, Platform Division</p>	20,000

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company [Significant concurrent positions held]	Number of shares of the Company held
4	Re-election/Outside director  Kazusuke Obi (December 4, 1953)	<p>Sept. 1977 Joined Alfa Records Inc.  Aug. 1988 Representative Director of Scitron &amp; Art Inc.  Oct. 2002 Director of Digital Garage, Inc.    July 2009 Executive Officer of Google LLC  Dec. 2012 Regional Director, Japan of InMobi Japan Inc.    Oct. 2015 Representative Director, Partner of Link Asia Capital K.K. (current position)    Mar. 2017 Outside Auditor of Inbound Tech Inc. (current position)    Nov. 2017 Representative Director of Cross Locations Inc. (currently Location AI Co., Ltd.) (current position)    Mar. 2018 Outside Director of the Company (current position)    June 2018 Outside Director of Future Venture Capital Co., Ltd.    June 2018 Outside Director of infoNet inc.    Apr. 2024 Outside Director of BRANU Inc. (current position)</p> <p>(Position and responsibility in the Company)  Outside Director  [Significant concurrent positions held]  Representative Director and Partner of Link Asia Capital K.K.  Outside Auditor of Inbound Tech Inc.  Representative Director of Location AI Co., Ltd.  Outside Director of BRANU Inc.</p>	100

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company [Significant concurrent positions held]	Number of shares of the Company held
5	Re-election/Outside director Satoshi Hoyano (January 11, 1962)	Apr. 1984 Joined Fuji Xerox Co., Ltd. (currently FUJIFILM Business Innovation Corp.) Joined Apr. 2000 Joined Livin' on the EDGE Co., Ltd. (currently LINE Corporation) Mar. 2003 Director of ex-marketing INC. Nov. 2004 Director of ValueClick Japan, Inc. Jan. 2006 Director of Cecile Co., Ltd. Feb. 2006 livedoor Marketing Inc. President and Representative Director July 2008 President of So-net Media Networks Corporation (currently SMN Corporation) Nov. 2014 Representative Director of Horn Inc. (current position) Mar. 2018 Outside Director of the Company (current position) Nov. 2018 Chairman and Representative Director of GuideDent Co., Ltd. (Position and responsibility in the Company) Outside Director [Significant concurrent positions held] Representative Director of Horn Inc.	100,000

- Notes: 1. There is no special interest between the candidates for Director and the Company.  
2. Kazusuke Obi and Satoshi Hoyano are candidates for outside Director.  
3. The Company elected Kazusuke Obi and Satoshi Hoyano for outside Directors because it expects that their wealth of managerial experience and vast knowledge will be reflected in the management of the Company. Both candidates for outside Director possess expert knowledge of Internet advertising and excellent track records of success in management. The Company expects that they will facilitate the advancement of the management of the Company. Therefore, the Company determined that they will properly carry out the role of outside Director.  
4. Kazusuke Obi and Satoshi Hoyano have served as outside Directors of the Company

since March 2018, making their respective tenures eight (8) years at the conclusion of this General Meeting of Shareholders.

5. Based on the provisions of Article 427, paragraph (1) of the Companies Act, the Company has signed an agreement with Kazusuke Obi and Satoshi Hoyano to limit liability under Article 423, paragraph (1) of the Companies Act. If they are re-elected, these agreements will be renewed. The limit amount under the indemnity liability based on the subject agreement will be the statutorily stipulated minimum liability limit amount. However, the said limitation of liability will be available only if in the execution of the task giving rise to the subject liability due professional care has been exercised and no gross negligence has occurred.
6. The Company designates Kazusuke Obi and Satoshi Hoyano as independent officers as defined by the stipulations of the Tokyo Stock Exchange and has submitted documentation to that effect to this exchange. If this proposal is approved, the Company plans to continue to designate both as independent officers.
7. The Company has signed a liability insurance agreement for executives with an insurance company as set forth in Article 430-3, paragraph (1) of the Companies Act. This insurance covers the legal damages and costs of disputes that the insured would incur were a claim for damages to be made in relation to acts performed based on their position with the Company. If each candidate's election is approved and they assume office, they will become an insured under the said insurance agreement. The full amount of the premiums for all of the insureds is borne by the Company based on the resolution passed at the meeting of the Board of Directors held on October 24, 2025. The insurance policy is scheduled to be renewed with the same contents at the next renewal.

(Reference)

Skill matrix for the Board of Directors after the General Meeting of Shareholders

The skill matrix of the Board of Directors in the event that the candidates described in this notice are elected as originally proposed is as follows.

Name	Position in the Company	Corporate management	Industry knowledge	Sales and marketing	New business development	Finance and accounting	Legal and risk management
Koji Ninomiya	Representative Director	•	•	•	•		
Takashi Yoshinaga	Director	•	•	•			
Masato Kato	Director	•	•	•	•		
Kazusuke Obi	Outside Director	•	•	•			
Satoshi Hoyano	Outside Director	•	•	•			
Yoshikatsu Sato	Audit and Supervisory Board Member	•	•	•			
Tokiko Maruno	Audit and Supervisory Board Member Outside Director						•
Masaaki Koizumi	Audit and Supervisory Board Member Outside Director					•	

**Proposal No. 4: Determination of Remuneration for Performance-Condition Restricted Stock Compensation and Time-Vesting Restricted Stock Compensation to Directors (Excluding Members of the Audit and Supervisory Committee and Outside Directors)**

Remuneration within an annual range of 300,000,000 yen (including up to 30,000,000 yen for outside Directors, excluding employee allowances for employees serving as Directors) for Directors of the Company (excluding Directors who are Audit and Supervisory Board Members) was approved by resolution at the 24th Annual General Meeting of Shareholders held on March 29, 2023. The Company proposes to revise the stock compensation plan with the aim of providing Eligible Directors with an incentive to continuously improve the Company's corporate value by further clarifying the connection between their remuneration and the Company's performance and share value, as well as to further encourage the sharing of value between the Eligible Directors and shareholders.

Specifically, the Company requests approval for the introduction of a new Performance-Condition Restricted Stock Compensation Plan (hereinafter "Plan I") and a Time-Vesting Restricted Stock Compensation Plan (hereinafter "Plan II"); and together with Plan I, hereinafter the "Plans") for the Eligible Directors, as follows.

The grant of shares of the Company's common stock under the Plans will be made by way of issuance or disposal of shares of the Company's common stock without requiring payment of cash or delivery of assets in kind as compensation, etc., to the Eligible Directors, in accordance with the resolution of the Board of Directors.

Therefore, taking into account various factors including the contribution of the Eligible Directors to the Company, the maximum total number of Company shares to be issued or disposed of under Plan I will be (i) up to 80,000 shares as compensation for two years, and the maximum total amount will be up to 40,000,000 yen as compensation for two years. Furthermore, the maximum total number of Company Shares to be issued or disposed of under Plan II will be (ii) up to 20,000 shares as compensation for three years, and the maximum total amount will be up to 10,000,000 yen as compensation for three years. Both compensation amounts shall be separate from the above compensation cap for Directors. However, if the total number of issued shares of the Company increases or decreases due to a reverse stock split or stock split (including gratis allotment of shares), each maximum number of shares shall be adjusted according to such ratio. As stated in (i) above, the Company requests approval for a two-year compensation cap for Plan I to align with the Company's currently announced FY2025-2027 Medium-Term Management Plan (hereinafter the "Medium-Term Management Plan") per its release dated February 10, 2025. Separately, as described in (ii) above, the Company requests approval for a three-year compensation cap for Plan II.

There are currently three Eligible Directors, and if Proposal No. 3 is approved as originally proposed, the number of Eligible Directors shall remain at three.

#### Details

##### 1. Plan I

###### (1) Overview of Plan I

Plan I is a Performance-Condition Restricted Stock Compensation Plan using performance share units (hereinafter "PSUs") under which a number of shares of the Company's common stock (hereinafter the "Company Shares") calculated based on the achievement status of numerical performance targets during the period up to December 31, 2027 (hereinafter the "Evaluation Period"), the last day of the final fiscal year of the Medium-Term Management Plan, and the position, etc. of each Eligible Director, will be granted as compensation, with certain transfer restrictions imposed on the Company Shares to be

granted. The performance condition to be adopted is expected to be the Medium-Term Management Plan's target indicator of "achievement of operating income (consolidated basis) of 3 billion yen in fiscal year 2027 (from January 1, 2027 to December 31, 2027)."

Accordingly, because Plan I provides Company Shares depending on the achievement of performance targets, at the time of introduction of Plan I, it has not been determined whether the Company Shares will be delivered to each Eligible Director, nor the number of shares to be delivered.

The grant of the Company Shares under Plan I will be made by issuing or disposing of the Company Shares without requiring monetary payment or contribution of in-kind property from the Eligible Directors, based on a resolution of the Board of Directors.

The specific timing and allocation of payment for each Eligible Director under Plan I will be determined by the Board of Directors.

## (2) Requirements for Grant of Company Shares under Plan I

Under Plan I, upon completion of the Evaluation Period, the Company will grant Company Shares to the Eligible Directors (including Eligible Directors newly appointed after the start of the Evaluation Period) if the following requirements are satisfied in general:

- (i) No occurrence of certain misconduct, etc. as determined by the Board of Directors of the Company
- (ii) Satisfaction of other requirements determined by the Board of Directors of the Company as necessary to achieve the purpose of a performance-condition restricted stock compensation plan

If, after the start of the Evaluation Period and before the grant of Company Shares, matters relating to a merger in which the Company becomes an extinguished company, a share exchange or share transfer in which the Company becomes a wholly owned subsidiary, or other reorganization transactions are approved at a shareholders' meeting (or at a meeting of the Board of Directors where shareholder approval is not required with respect to such reorganization), the Company will, as necessary, by resolution of the Board of Directors, deliver a number of Company Shares determined reasonably by the Board of Directors, pay cash, or cause forfeiture of rights.

## (3) Overview of Transfer Restrictions, etc

In connection with the delivery of the Company Shares under Plan I, except where an Eligible Director has already retired, etc. at the time of such delivery, the Company will enter into a restricted stock allotment agreement (hereinafter the "Allotment Agreement I") with each Eligible Director, which will include, among other matters, the principal terms summarized below:

- (i) The Eligible Director shall not transfer, use as collateral or otherwise dispose of the Company's common shares allotted under the Allotment Agreement I (hereinafter the "Allotted Shares I") from the delivery date of the Allotted Shares I until the date on which the Eligible Director retires or resigns from the position of Director of the Company or such other position as determined by the Board of Directors (hereinafter the "Transfer Restriction Period I") (hereinafter the "Transfer Restriction with respect to the Allotted Shares I").
- (ii) The Company shall lift the Transfer Restriction with respect to all of the Allotted Shares I upon expiration of the Transfer Restriction Period I.
- (iii) If, during the Transfer Restriction Period I, the Eligible Director becomes applicable to any event determined by the Board of Directors as an event for which it is appropriate for the Company to acquire the Allotted Shares I without consideration, such as violation of laws and regulations, internal rules, or the Allotment Agreement I, the Company shall automatically acquire the Allotted Shares I without consideration.
- (iv) Notwithstanding item (i) above, if, during the Transfer Restriction Period I, matters relating to a merger in which the Company becomes an extinguished company, a share exchange or share

transfer in which the Company becomes a wholly owned subsidiary, or other reorganization transactions are approved at a shareholders' meeting (or at a meeting of the Board of Directors where shareholder approval is not required with respect to such reorganization), the Company shall lift the Transfer Restriction with respect to all of the Allotted Shares I prior to the effective date of such reorganization transactions.

## 2. Plan II

### (1) Overview of Plan II

Under Plan II, after entering into a restricted stock allotment agreement (hereinafter the "Allotment Agreement II") with each Eligible Director containing the terms described in (2) below, the Company will allot to and have Eligible Directors hold the Company's common stock to be issued or disposed of by the Company.

The grant of the Company Shares under Plan II will be made by issuing or disposing of the Company Shares without requiring monetary payment or contribution of in-kind property from the Eligible Directors, based on a resolution of the Board of Directors.

The specific timing and allocation of payment for each Eligible Director under Plan II will be determined by the Board of Directors.

### (2) Overview of the Allotment Agreement II

In connection with the grant of restricted stock under Plan II, the Company will enter into the Allotment Agreement II with each Eligible Director, which will include, among other matters, the principal terms summarized below:

- (i) The Eligible Director shall not transfer, use as collateral or otherwise dispose of the Company's common shares allotted under the Allotment Agreement II (hereinafter the "Allotted Shares II") for approximately three years (hereinafter the "Transfer Restriction Period II") (hereinafter the "Transfer Restriction with respect to the Allotted Shares II").
- (ii) If the Eligible Director loses the position of Director of the Company or such other position as determined by the Board of Directors before the end of approximately three years (hereinafter the "Service Period"), the Company shall automatically acquire the Allotted Shares II without consideration, unless the Board of Directors determines that there is a justifiable reason.
- (iii) Subject to the condition that the Eligible Director continuously holds the position described in (ii) above during the Service Period, the Company shall lift the Transfer Restriction with respect to all of the Allotted Shares II upon expiration of the Transfer Restriction Period II. However, if the Eligible Director loses such position before the end of the Service Period due to a justifiable reason recognized by the Board of Directors as described in (ii) above, the number of Allotted Shares II for which the Transfer Restriction is lifted and the timing of the release of such Transfer Restriction may be reasonably adjusted as necessary.
- (iv) The Company shall automatically acquire without consideration the Allotted Shares II for which the Transfer Restriction is not lifted pursuant to (iii) above upon expiration of the Transfer Restriction Period II.
- (v) If, during the Transfer Restriction Period II, the Eligible Director becomes applicable to any event determined by the Board of Directors as an event for which it is appropriate for the Company to acquire the Allotted Shares II without consideration, such as violation of laws and regulations, internal rules, or the Allotment Agreement II, the Company shall automatically acquire the Allotted Shares II without consideration.
- (vi) Notwithstanding item (i) above, if, during the Transfer Restriction Period II, matters relating to a merger in which the Company becomes an extinguished company, a share exchange or share

transfer in which the Company becomes a wholly owned subsidiary, or other reorganization transactions are approved at a shareholders' meeting (or at a meeting of the Board of Directors where shareholder approval is not required with respect to such reorganization), the Company, by resolution of the Board of Directors, shall lift the Transfer Restriction with respect to a reasonably determined number of the Allotted Shares II prior to the effective date of such reorganization transactions.

### 3. Rationale for Payment of Remuneration Under the Plans

The payment of remuneration (i) under Plan I is intended to provide incentives for the sustainable enhancement of the Company's corporate value over the medium to long term by setting performance targets for the Evaluation Period and granting shares of the Company's stock in accordance with the degree of achievement of such targets, etc. The payment of remuneration (ii) under Plan II is intended to grant restricted stock as remuneration to the Eligible Directors for the purpose of providing incentives for the Eligible Directors to continuously enhance the Company's corporate value and to further encourage the sharing of value with the Company's shareholders. In addition, (iii) the maximum number of shares to be issued or disposed of under Plan I and Plan II represents approximately 0.07% of the total number of issued shares on an annualized basis. Given the aforementioned purposes and that this dilution rate is negligible, the Company deems it appropriate.

In addition, the Company's Board of Directors, at a meeting held on March 29, 2023, established a policy for determining the content of remuneration for individual Directors (excluding Directors who are members of the Audit and Supervisory Committee), an outline of which is shown on page 25 of the business report, and if this proposal is approved, the Company plans to change this policy in a manner consistent with this proposal.

End of text.