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(Ticker number: 6080)

December 4, 2025

(Start date of measures for electronic provision: December 3, 2025)

To Our Shareholders

Satoru Nakamura
Representative President
M&A Capital Partners Co., Ltd.
2-2-1 Yaesu, Chuo-ku, Tokyo

Notice of the 20th Annual General Meeting of Shareholders - FY2025

You are hereby notified of the 20th Annual General Meeting of Shareholders of M&A Capital Partners Co., Ltd. (the “Company”), which will be held for the purposes described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide information in electronic format, and posted items subject to measures for electronic provision on the following website as “Notice of the 20th Annual General Meeting of Shareholders.”

The Company’s website:

<https://www.ma-cp.com/ir/>

In addition to the website above, the items subject to measures for electronic provision have also been posted on the following website.

Tokyo Stock Exchange (TSE) website:

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (Japanese only)

Please access the TSE website above, enter our company name or securities code, and click “Search.” Then, click “Basic information,” and select “Documents for public inspection/PR information.”

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 6:00 p.m., Wednesday, December 24, 2025 (Japan time).

- 1. Date and Time:** Thursday, December 25, 2025 at 10:00 a.m. Japan time
(reception starts at 9:00 a.m.)
- 2. Place:** 2-2-1 Yaesu, Chuo-ku, Tokyo (Tokyo Midtown Yaesu)
Tokyo Midtown Yaesu Conference, 4th floor, Main Conference 2
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. Business Report and Consolidated Financial Statements for the Company’s 20th Fiscal Year (from October 1, 2024 to September 30, 2025) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and Board of Corporate Auditors
 2. Non-consolidated Financial Statements for the Company’s 20th Fiscal Year (October 1, 2024 to September 30, 2025)
 - Proposals to be resolved:**
 - Company Proposals (Proposals 1 and 2)**
 - Proposal 1:** Appropriation of surplus
 - Proposal 2:** Election of six (6) Directors
 - Shareholder Proposals (Proposals 3 and 4)**
 - Proposal 3:** Appropriation of surplus
 - Proposal 4:** Partial amendment to the Articles of Incorporation

4. Information on the exercise of voting rights

- (1) When exercising voting rights in writing:
Please indicate your approval or disapproval on the enclosed Voting Right Exercise Form and return it to us no later than 6:00 p.m. on Wednesday, December 24, 2025.
- (2) When exercising voting rights via the Internet:
Please exercise your voting right via the Internet no later than 6:00 p.m. on Wednesday, December 24, 2025.
- (3) If you exercise your voting rights both by mail (postal mail) and via the Internet, etc. we will treat the exercise of voting rights via the Internet, etc. as the valid exercise of voting rights. If you exercise your voting rights more than once via the Internet, etc., we will treat the last vote as the valid vote.
- (4) If you do not indicate your approval or disapproval of a proposal when exercising voting rights in writing, we will treat it as an indication of approval for company proposals and an indication of disapproval for shareholder proposals.

Notes:

- When attending the meeting, please submit the enclosed Voting Right Exercise Form to the receptionist. To save paper, please bring this Notice of Convocation with you.
- If any changes are made to the items subject to measures for electronic provision, the items before and after the revisions will be posted on the aforementioned websites.
- No souvenirs will be provided for shareholders attending the General Meeting of Shareholders.
- At this General Meeting of Shareholders, the Company will uniformly send a document stating the items subject to measures for electronic provision, regardless of whether a request for written delivery has been made. Please note that, among the items subject to measures for electronic provision, the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements will not be included in the documents sent, pursuant to applicable laws and regulations and the Company's Articles of Incorporation. The Board of Corporate Auditors and the Accounting Auditor have audited the documents subject to audit, including these matters.

Reference Documents for the General Meeting of Shareholders

Proposals and references

Company proposals (Proposals 1 and 2)

Proposal 1: Appropriation of surplus

The Company's basic policy is to continue to provide stable dividends while enhancing its shareholder returns and securing the retained earnings necessary to develop its business and strengthen its management structure in the future.

Based on this policy, the Company proposes a year-end dividend for the current fiscal year as follows.

Matters regarding the year-end dividend

- (1) Type of dividend property
Cash
- (2) Matters regarding allocation of dividend property and total amount thereof
¥52.10 per common share of the Company; total amount: ¥1,654,622,018
- (3) Effective date of the dividend from surplus
December 26, 2025

Proposal 2: Election of six (6) Directors

The term of office of all six (6) standing Directors will expire at the conclusion of this General Meeting of Shareholders. As such, we propose the election of the following six (6) candidates for Directors.

| No. | Name (Date of birth) | Past experience, positions and responsibility in the Company, and significant concurrent positions | | Number of Company shares held |
|---|---|--|---|-------------------------------------|
| 1 | Satoru Nakamura (March 30, 1973) | Apr. 1995 | Joined Sekisui House, Ltd. | 13,573,240 |
| | | Oct. 2005 | Established M&A Capital Partners, became President and Representative Director (current position) | |
| Oct. 2016 | | Director of RECOF Corporation | | |
| Oct. 2016 | | Director of RECOF Data Corporation (current position) | | |
| Oct. 2021 | | President and Representative Director of RECOF Corporation (current position) | | |
| Reason for nomination as candidate for Director: We nominate Mr. Satoru Nakamura as a candidate for Director considering the vital role he plays in the Company’s overall business activities, including decision-making on management policies and strategies. | | | | |
| 2 | Yozo Sogame (June 7, 1975) | Oct. 2005 | Director of M&A Capital Partners | 2,100,000 |
| | | Oct. 2007 | Manager of Sales & Planning Department of M&A Capital Partners | |
| Mar. 2008 | | Resigned as Director of M&A Capital Partners | | |
| Sep. 2008 | | Re-appointed as Director of M&A Capital Partners | | |
| Jun. 2016 | | Director and Manager of Corporate Information Department No. 1 of M&A Capital Partners | | |
| Oct. 2018 | | Director and Manager of Sales & Planning Department of M&A Capital Partners | | |
| Oct. 2022 | Director of M&A Capital Partners (current position) | | | |
| Reason for nomination as candidate for Director: We nominate Mr. Yozo Sogame as a candidate for Director given his extensive knowledge of various industries, strong relationships with buyer companies, and ability to provide guidance to consultants. He also plays a pivotal role in the overall M&A intermediary business of the Company. | | | | |
| 3 | Hideaki Okamura (May 22, 1980) | Apr. 2003 | Joined Venture Link Co., Ltd. | 345,300 |
| | | Apr. 2007 | Joined M&A Capital Partners | |
| Oct. 2010 | | Manager, Sales Department No. 3, Sales Headquarters of M&A Capital Partners | | |
| Oct. 2017 | | Manager, Corporate Information Department No. 2 of M&A Capital Partners | | |
| Oct. 2019 | | Executive Officer and Manager of Corporate Information Department No. 2 of M&A Capital Partners | | |
| Oct. 2022 | | Executive Officer and Manager of Sales & Planning Department of M&A Capital Partners | | |
| Dec. 2022 | | Director and Manager of Sales & Planning Department of M&A Capital Partners | | |
| Oct. 2023 | | Director and Manager of Alliance Support Department of M&A Capital Partners | | |
| Dec. 2023 | | Director of RECOF Corporation (current position) | | |
| Sep. 2025 | | Director, Manager of Alliance Support Department and Manager of Talent Acquisition & Development Department of M&A Capital Partners (current position) | | |
| Reason for nomination as candidate for Director: We nominate Mr. Hideaki Okamura as a candidate for Director based on his extensive experience and track record in M&A advisory, as well as the critical role he plays not only in strategic planning for the Company’s M&A intermediary service and sales planning operations, but also in providing strong leadership to the entire Group. | | | | |

| No. | Name (Date of birth) | Past experience, positions and responsibility in the Company, and significant concurrent positions | | Number of Company shares held |
|--|------------------------------------|---|--|-------------------------------------|
| 4 | So Shimoda (February 16, 1988) | Apr. 2011 | Joined Fukushima Printing Co., Ltd. | 1,180 |
| | | Apr. 2015 | Joined M&A Capital Partners | |
| Oct. 2019 | | Section Chief of Accounting Department of M&A Capital Partners | | |
| Dec. 2020 | | Director and Manager of Planning & Management Department of M&A Capital Partners (current position) | | |
| Dec. 2020 | | Director of RECOF Corporation (current position) | | |
| Dec. 2020 | | Director of RECOF Data Corporation (current position) | | |
| Reason for nomination as candidate for Director: We nominate Mr. So Shimoda as a candidate for Director, considering the vital role he plays in accounting and financial reporting for the entire consolidated Group and his abundant insight into the Company’s business activities through his duties. | | | | |
| 5 | Tamio Nishizawa (June 17, 1943) | Apr. 1966 | Joined Japan Finance Corporation for Small and Medium Enterprise (currently Japan Finance Corporation) | 20,000 |
| | | Apr. 1985 | Joined Yamaichi Securities Co., Ltd., seconded to Yamaichi Univen Co., Ltd. | |
| Nov. 1987 | | Branch Manager of Yamaichi Univen Los Angeles | | |
| Nov. 1990 | | President of Yamaichi Finance America, Inc. | | |
| Jun. 1992 | | Manager of Investment Consultant Division of Yamaichi Finance Co. | | |
| Feb. 1998 | | Established Nippon S&T, Co., Ltd., became President and Representative Director (current position) | | |
| Mar. 2000 | | Chief Project Manager of Japan Small and Medium Enterprise Corporation (currently Organization for Small & Medium Enterprises and Regional Innovation, Japan) | | |
| Apr. 2006 | | Representative Director of Takataki Links Club Ltd. | | |
| Nov. 2006 | | Director of M&A Capital Partners (current position) | | |
| Aug. 2009 | | Auditor of Laox Co., Ltd. (now Laox Holdings Co., Ltd.) | | |
| Feb. 2014 | | Program Officer of Japan Science and Technology Agency in charge of supporting startups (now Investment and Support Office for Startups) (current position) | | |
| Aug. 2019 | | Representative Director of RSC Co., Ltd. (current position) | | |
| Sep. 2019 | | Director of DLE, Inc. | | |
| Reason for nomination as candidate for Outside Director and summary of expected role: We nominate Mr. Tamio Nishizawa as a candidate for Outside Director, expecting him to contribute particularly to expanding the Company’s M&A intermediary business and providing opinions on overall management, as he is familiar with the establishment and development of businesses. He will have been in office as an Outside Director of the Company for nineteen (19) years and one (1) month at the conclusion of this General Meeting of Shareholders. | | | | |

| No. | Name (Date of birth) | Past experience, positions and responsibility in the Company, and significant concurrent positions | Number of Company shares held |
|--|---------------------------------------|---|-------------------------------------|
| 6 | Noboru Matsuoka (October 10, 1954) | <p>Apr. 1979 Joined Daido Corporation</p> <p>Jun. 1989 Joined Instapak Limited Japan (currently Sealed Air Japan G.K.)</p> <p>Dec. 1993 Japan Representative of Instapak Limited Japan</p> <p>May 2001 Representative Director & CEO of Sealed Air Japan</p> <p>Dec. 2005 Joined Owens Corning Asia Pacific, appointed as General Manager of the Business Integration Division</p> <p>Jul. 2006 Representative Director & CEO of Owens Corning Japan</p> <p>Sep. 2008 Joined Schott AG (currently Moritex Corporation) Vice President, Asia Representative of Writing & Imaging Division of Schott AG</p> <p>Jun. 2010 Representative Director & CEO of Moritex Corporation</p> <p>Mar. 2013 Joined DHL Supply Chain as Vice President and Director</p> <p>Oct. 2013 President and Representative Director of DHL Supply Chain</p> <p>Sep. 2014 Chairman and Director of DHL Supply Chain</p> <p>Nov. 2014 Director of Via Mechanics, Ltd.</p> <p>Dec. 2014 President and Representative Director of Via Mechanics, Ltd.</p> <p>Apr. 2017 Vice Chairman and Director of Via Mechanics, Ltd.</p> <p>Sep. 2017 President and Representative Director of Storopack Japan Co., Ltd.</p> <p>Dec. 2018 Director of M&A Capital Partners (current position)</p> <p>May 2019 Director of Renown Incorporated</p> | — |
| <p>Reason for nomination as candidate for Outside Director and summary of expected role: We nominate Mr. Noboru Matsuoka as a candidate for Outside Director in view of his extensive management experience, including service as President and Representative Director of several business companies, and in expectation that he would provide opinions and input on overall corporate management. Mr. Matsuoka will have held the position of Outside Director of the Company for seven (7) years at the conclusion of this General Meeting of Shareholders.</p> | | | |

Notes:

1. There is no special interest between the Company and each candidate for Director.
2. Mr. Tamio Nishizawa and Mr. Noboru Matsuoka are candidates for Outside Director. The Company has designated Mr. Nishizawa and Mr. Matsuoka as Independent Directors in accordance with the provisions of the Tokyo Stock Exchange (TSE). The Company has notified the TSE of this designation and will continue to designate them as Independent Directors if their reappointments are approved.
3. The Company has entered into an agreement with Mr. Tamio Nishizawa and Mr. Noboru Matsuoka to limit their liability for damages as prescribed under Article 432, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same Act. The maximum amount of liability for damages under the said agreement is the amount stipulated by laws and regulations. The agreement is scheduled to be continued if the reappointments of both individuals are approved.
4. The Company has entered into a Directors and Officers Liability Insurance Agreement with all Directors and Officers as the insured. The insurance policy covers damages resulting from the insured parties assuming responsibility for the execution of their duties or from the receipt of claims for damages related to the pursuit of such responsibility. However, certain exemptions from payment may apply, such as when the actions are taken with the insured party knowing that they are in violation of laws and regulations. If the election of each candidate for Director is approved, they will be included as an insured person under the said insurance policy. In addition, the insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal.

(Reference)

Skill Matrix of Directors and Auditors (Based on Knowledge, Expertise, and Experience)

If Proposal 2 is approved as proposed, the skill matrix of Directors and Auditors will be as follows.

| Name | Position in the Company after the Meeting | Corporate management | Practical M&A experience | Sales & marketing | Global business | Financial accounting | Personnel management | Legal risk management |
|-------------------|---|----------------------|--------------------------|-------------------|-----------------|----------------------|----------------------|-----------------------|
| Satoru Nakamura | President and Representative Director | ● | ● | ● | | | | |
| Yozo Sogame | Director | ● | ● | ● | | | | |
| Hideaki Okamura | Director, Manager of Alliance Support Department and Manager of Talent Acquisition & Development Department | ● | ● | ● | | | ● | |
| So Shimoda | Director and Manager of Planning & Management Department | ● | | | | ● | ● | ● |
| Tamio Nishizawa | Outside Director (Independent) | ● | ● | ● | ● | ● | | |
| Noboru Matsuoka | Outside Director (Independent) | ● | ● | ● | ● | | | |
| Keishi Degawa | Outside Auditor (Independent) | ● | | ● | ● | ● | ● | ● |
| Yukihiro Fujimoto | Outside Auditor (Independent) | | ● | | ● | ● | ● | ● |
| Mutsuko Oba | Outside Auditor (Independent) | ● | | | | ● | ● | ● |

Note: The items checked do not represent all of the knowledge, expertise, or experience of each Director and Auditor.

Shareholder Proposals (Proposals 3 and 4)

Proposals 3 and 4 have been submitted by a shareholder (one individual). The Board of Directors opposes this shareholder proposal, as described below.

Except for formal adjustments, the content and reasons for the following proposals are presented exactly as submitted in the shareholder proposal document provided by the proposing shareholder.

Contents of the proposals

Proposals 3 Appropriation of Surplus

i. Substance of the Proposal

The appropriation of surplus shall be as follows. This proposal is independent and in addition to any proposal for appropriation of surplus submitted by the Company's Board of Directors at the Ordinary General Meeting.

(a) Type of Dividend Property: Cash

(b) Dividend Amount per Share

In addition to the surplus per common share of the Company approved at the Ordinary General Meeting as proposed by the Company's Board of Directors, 940 yen per share (or 990 yen per share if the Company's Board of Directors does not propose an appropriation of surplus at the Ordinary General Meeting).

(c) Matters Regarding Allocation of Dividend Property and Total Amount

For the Company's common shares, the dividend amount per share as stated in (b) above (the total dividend amount shall be calculated by multiplying the dividend amount per share by the total number of issued common shares of the Company as of June 30, 2025, excluding treasury shares).

(d) Effective Date of Dividend from Surplus: The date of the Ordinary General Meeting.

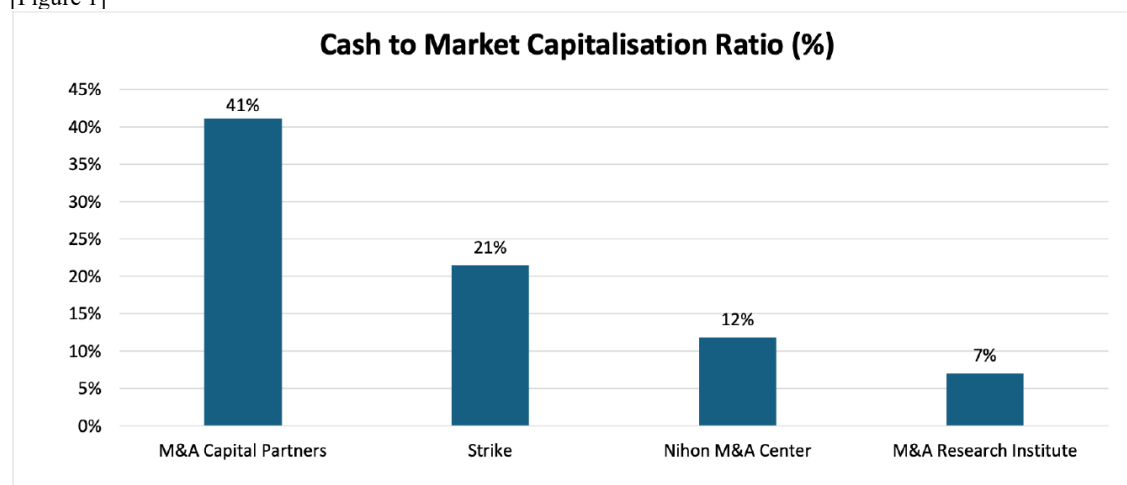
(e) Dividend Payment Start Date: Three weeks after the business day following the date of the Ordinary General Meeting.

ii. Reasons for the Proposal

As of June 30, 2025, the Company holds 41.9 billion yen in cash and deposits on its balance sheet.

This represents approximately 87% of the Company's total assets as of the same date and approximately 41% of its market capitalization as of September 30, 2025 (the median for domestically listed peers is approximately 12%; see Figure 1). This cash-to-market capitalization ratio is significantly higher than that of any domestically listed peers. On the other hand, the return on investment for the Company's cash and deposits is extremely low. For example, in the fiscal year ended September 2024, the Company had an average cash balance of 39.2 billion yen but generated only about 4 million yen in interest income, resulting in a yield of just 0.01%.

[Figure 1]

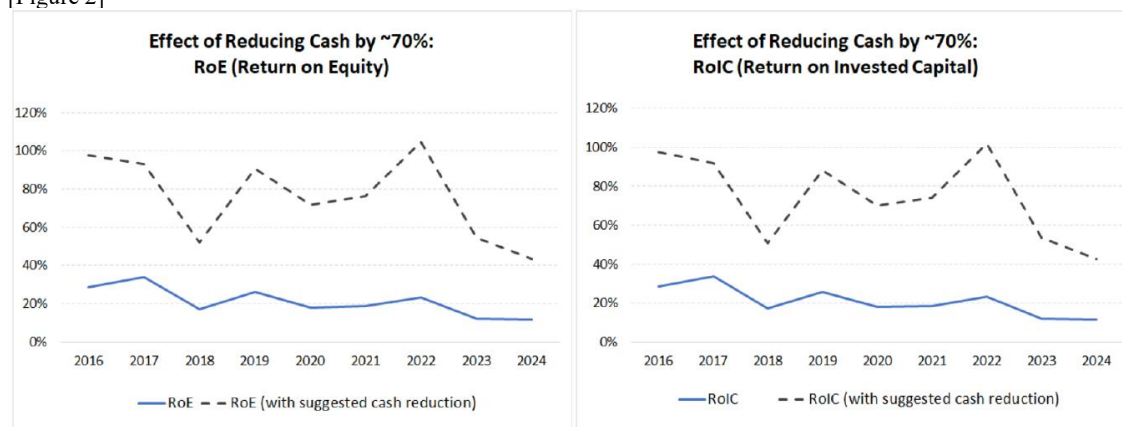


Furthermore, the Company's business model is an asset-light advisory business, with very limited needs for working capital or ongoing capital expenditures. For instance, the Company has a negative working capital cycle, and its annual capital expenditures over the past 10 years have averaged only about 5% of operating cash flow. This means that the Company does not require large amounts of cash for normal business operations or growth.

From any reasonable perspective, the Company's cash ratio is extremely high, and there is no apparent rational reason for holding such cash. Nevertheless, continuing to hold large amounts of cash contradicts the basic principles of efficient capital management, lowers the Company's return on equity (ROE) and return on invested capital (ROIC), and ultimately damages corporate value.

From an investor's perspective, the Tokyo Stock Exchange also advocates that one of the responsibilities of management and the board of directors is "to avoid holding excessive cash and deposits." If the Company reduces its cash holdings to the level sought in this proposal, ROE and ROIC would improve dramatically (see Figure 2).

[Figure 2]



We believe that the best use of the Company's large cash holdings is to return it to shareholders, as there is an extremely high risk that these funds could be misallocated to expensive and misguided acquisitions. In fact, the Company's past use of funds in acquisitions and investments has been significantly inappropriate. For example, the acquisition of Recof in 2016 for a total of 3 billion yen was a high-cost failure, continuing to incur losses and becoming a significant burden on management. Additionally, the approximately 19.5% (2.49 billion yen) minority equity investment in Frontier Management in August 2024 has seen its stock price decline by about 33% as of September 30, 2025, with no explanation from management to shareholders regarding its strategic rationale. Based on the above, we propose this agenda item. This is the first step toward reducing the Company's cash and deposit balance from approximately 41% of its current market capitalization to the median of approximately 12% for domestically listed peers. If this proposal is approved, the Company's cash and deposits would decrease from approximately 41.9 billion yen to about 12 billion yen, with the difference of approximately 29.9 billion yen distributed to shareholders as a special dividend. Even after such a large distribution, we believe the Company would still hold sufficient funds and have ample capacity to pursue growth strategies. Rather, the Company is strongly urged to formulate a clear growth strategy and effectively communicate it to all shareholders.

iii. Board of Directors' Opinion on the Proposal

The Company's Board of Directors opposes this shareholder proposal for the following reasons.

- ✓ The Company has as its corporate philosophy "We aspire to be the world's leading investment bank, seeking maximum contributions to clients and striving for the happiness of all employees." In an effort to achieve this, we continuously advocated both organic business growth as well as inorganic business growth, through mergers and acquisitions and other growth investments. By no means has this been a smooth journey, and while recognizing there are a multitude of challenges, we have set ambitious goals and have centered the Company's values on having all officers and employees work together in a concerted effort in the achievement of this philosophy. Through these efforts, the Company has grown and has attracted excellent human resources.
- ✓ The Company's cash and deposits serve as essential and vital resources for the consideration and implementation of the merger and acquisition strategies and partnership strategies (growth investments) that facilitate the achievement of inorganic business growth.
- ✓ In growth investments (mergers and acquisitions), we consider those deals that are expected to improve our consolidated EPS and capital efficiency (ROE) and elevate our corporate value and shareholder value through the acquisition of new capabilities, the elevation of brand power, the enhancement of the values of target companies, and other factors.
- ✓ In 2016, we were fortunate enough to be able to welcome RECOF Corporation, Japan's most historic merger and acquisition advisory firm, into our group. This company's name recognition, sustained by its long history and illustrious track record, contributed to the Company's dramatic growth from 2017 onward, through the enhancement of our own brand power as we welcomed them into our group. Our investment in Frontier Management Inc. and the subsequent business partnership therewith will lead to our further growth and enhanced corporate value and shareholder value by providing capabilities and added value that our group previously did not possess.
- ✓ Based on the above approach, with regard to our dividend policy, as disclosed in our securities reports, we have adopted a basic policy under which the Company engages in appropriate profit distributions, while comprehensively taking into consideration future business development and other factors, being mindful of dividends as returned profits to our shareholders, internal reserves sufficient to strengthen our constitution to promptly respond business opportunities, and incentives for officers and employees to facilitate the stimulation of business.
- ✓ In accordance with this basic policy, in our financial results briefing materials disclosed on October 30, 2025, we have disclosed a policy that seeks a continuous increase in dividends per share through profit growth while making provisions for growth investments, and provides stable and consistent shareholder returns centered on dividends.
- ✓ In addition to the appropriation of surplus proposed by the Company's Board of Directors (JPY 52.10 per share, total dividend of JPY 1,654,622,018), this shareholder proposal seeks an appropriation of surplus in the amount of JPY 940 per share, for a total dividend of JPY 29,853,065,200. An appropriation of surplus in this amount would set our dividend payout ratio at approximately 571%.
- ✓ This shareholder proposal, which allocates a majority of our internal reserves and cash and deposits on hand to a one-time special dividend, will significantly restrict the agility of growth investments, and as such it fails to fall in line with the Company's policy as previously disclosed and explained to our shareholders and investors.
- ✓ Furthermore, since our listing on the stock market, the Company has maintained capital efficiency (ROE) that exceeds the cost of the shareholder's equity recognized by the Company, all while accumulating internal reserves and maintaining financial soundness through high-level sales growth rates and profit margins. With regard to ROE in the future we will seek further enhancement through advancements from high growth and high profit margins (advancement by increasing the numerator) and agile growth investments utilizing our cash and deposits on hand, while continuing to properly recognize the importance of capital efficiency.

Proposals 4 Partial Amendment to the Articles of Incorporation

i. Substance of the Proposal

Add the following chapter and articles to the Company's Articles of Incorporation. If other proposals at the Ordinary General Meeting (including those proposed by the Company) are approved, resulting in the need for formal adjustments to the articles described in this proposal (including but not limited to corrections for article numbering shifts), the articles in this proposal shall be read with the necessary adjustments.

| Current Articles of Incorporation | Proposed Amendments |
|-----------------------------------|---|
| (Newly Established) | <p>Chapter 6: Rules Regarding Shareholder Return Policy and Special Committee (Rules Regarding Shareholder Return Policy)</p> <p>Article 36</p> <p>The Company shall adopt as its basic rule (hereinafter referred to as the "Basic Rule") a policy of continuously maintaining a total payout ratio of 50% or more relative to earnings per share (EPS) each period, with 30% allocated to dividends from surplus and the remaining 20% implemented in the form of share repurchases or additional dividends.</p> <p>The Company's Board of Directors shall deliberate on the shareholder return policy based on the preceding paragraph, and if it does not satisfy the Basic Rule (i.e., if the total payout ratio is less than 50% or the breakdown ratios differ), it must refer the matter to the Special Committee under the following article.</p> <p>(Special Committee)</p> <p>Article 37</p> <ol style="list-style-type: none">1. The Company's Board of Directors shall establish a Special Committee (hereinafter referred to as the "Special Committee") to provide recommendations to the Board from the perspective of improving the Company's capital efficiency.2. The Special Committee shall be composed of all of the Company's outside directors and outside auditors.3. The Special Committee shall review the results of the Board of Directors' deliberations and examine matters such as the appropriateness of the Company's shareholder return policy, its impact on capital efficiency, and whether it contributes to maximizing shareholder interests, and shall provide recommendations to the Board of Directors.4. Resolutions of the Special Committee shall be made by a majority of the attending members, with a quorum of more than half of the members constituting the Special Committee.5. The results of the Special Committee's review under Paragraph 3 must be explained to the shareholders.6. Other matters regarding the operation of the Special Committee shall be governed by rules established by the Special Committee. |

ii. Reasons for the Proposal

Since its establishment in October 2005, the Company has generated abundant cash flow, but the Board of Directors has not paid any dividends for many years, only introducing a dividend policy (payout ratio of 30%) in the fiscal year ended September 2023. However, this payout ratio is significantly low compared to domestically listed peers with similarly long business histories. Furthermore, considering that the Company's business has extremely limited needs for ongoing capital expenditures and working capital, shareholder capital returns should be expanded further. Given that the Company's shares are held by insiders, with the President and Representative Director owning approximately 44% and the three internal directors holding a majority of the shares, it is essential to review the shareholder return policy through a body completely independent from internal management. Therefore, this proposal ensures the establishment of an independent committee, with the goal of raising the total payout ratio to a higher level and flexibly reviewing methods of capital returns.

iii. Board of Directors' Opinion on the Proposal

The Company's Board of Directors opposes this shareholder proposal for the following reasons.

- 1) Regarding the Proposal on Rules Regarding the Shareholder Return Policy
 - ✓ The total return ratio, its breakdown and other details are matters that are considered and determined in a flexible manner by the Board of Directors based on the market environment, business environment, the Companies business and financial details, its medium-to long-term strategies and plans, the exertion status of its competitive edge and issues therewith, the existence or nonexistence and consideration status of growth investment opportunities, and other factors. Stipulating matters in the Articles of Incorporation harms flexibility and agility of this decision making.
 - ✓ Furthermore, the pros and cons of share repurchases will need to be examined while taking the perspective of the free-float weight of the listed shares, a criteria for maintaining our listing on the Prime Market, and the free-float market capitalization, a criteria for being selected as a TOPIX constituent stock, into account. The Company's Board of Directors will consider this matter while also taking into account the possibility that large-scale share repurchases, at the Company, may be disadvantageous from the perspective medium-to long-term shareholder value.
- 2) Regarding the Proposal on the Establishment of a Special Committee

- ✓ The Company welcomes a wide range of opinions by having our officers, including the representative director, and employees engage in direct dialogues with all shareholders and investors through financial results briefings directed at institutional investors and individual investors, investor relations meetings with institutional investors, general meetings of shareholders, and other numerous occasions.
- ✓ The opinions presented at financial results briefings and investor relations meetings are routinely reported to the Board of Directors. Based on the opinions provided by our shareholders, the Company's Board of Directors decided in July 2023 to pay the first dividend since listing, and decided in January 2025 to modify our dividend policy (increasing the dividend payout ratio).
- ✓ The Board of Directors, integrally comprised of executive directors, who are well versed in the Company's business and hold a significant number of our shares, and outside directors, who hold a variety of knowledge based on a skills matrix and have an outside perspective, is the conference body best suited for effective conduct of considerations regarding the maximization of total shareholder returns. We do not believe it is necessary to establish a separate advisory body.