The following is an unofficial English translation of the Japanese original text of the corresponding disclosure document of Cookpad Inc., which has been submitted to the Tokyo Stock Exchange. Cookpad Inc. provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

24 December 2021

Cookpad Inc.
Rimpei Iwata, Chief Executive Officer
TSE Code: 2193 (First Section)
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Adoption of Measures against Large-Scale Share Acquisition (or Anti-Takeover Measures)

Cookpad Inc. (the "Company") announces that its Board of Directors (the "Board") resolved today to adopt measures against acquisition of a substantial number of shares of the Company's stock (or anti-takeover measures, hereinafter the "Plan") as described below, as part of its initiatives to prevent a party deemed to be inappropriate based on the Basic Policy on Those Who Control Decisions on Company's Financial or Business Policies (the "Basic Policy"), established today by the Board in accordance with Article 118 (iii) of the Ordinance for Enforcement of Japan's Companies Act, from controlling the Company's decisions on its financial and business policies, in accordance with the provision (b-2) in Article 118 (iii) of the law. While the Plan is to be introduced according to the resolution adopted by the Board, we plan to propose the adoption of the Plan as an ordinary resolution at the General Meeting of Shareholders scheduled in March 2022 (the "General Meeting 2022") in order to incorporate the intention of our shareholders in the Plan. The proposed adoption of the ~~Measures~~Plan has been approved by all members of the Board, including the three independent outside directors.

Although the Plan came into effect today, it will be immediately abolished in the event of the resolution being rejected at the General Meeting 2022.

In the event that amendments, revisions, or other modifications are made to any of Japan's Companies Act, Japan's Financial Instruments and Exchange Act, other applicable laws, their bylaws, relevant ordinances from the Cabinet, the Cabinet Office and ministries, and the regulations of the stock exchange where shares of the Company's stock are traded ("Laws and Regulations") cited here (or their names are changed, or new laws or regulations are enacted as replacement of the current ones) and then enforced, it will be deemed that renewed or new provisions replace the current ones as the references unless otherwise specified by the Board.

I. Our Basic Policy on Those Who Control Decisions on Our Financial or Business Policies

As a publicly traded company, we respect the free trade of shares of our stock in the market and do not prevent acquisition of a substantial number of shares of our stock by a certain party (a "Large-Scale Share Acquisition," to be defined in III. 2. (1) [1] below) if such acquisition helps to protect or enhance the corporate values of our group companies (the "Group") and thus the common interests of our shareholders. We believe it is our shareholders who should eventually decide whether to accept or reject a Large-Scale Share Acquisition offer.

Some offers of Large-Scale Share Acquisition, however, may reduce the Group's value and thus the common interests of our shareholders by, for instance, undermining our relationship with stakeholders,

undervalue the Group, or fail to provide information sufficient for our shareholders to take final decisions.

We believe that if there is a risk of Large-Scale Share Acquisition hindering us from enhancing the Group's corporate values or maximising the common interests of our shareholders, such as in a case where such acquisition may be detrimental to the sources of the Group's value on a mid or long-term basis, we should deem the potential acquirer of a substantial number of shares of our stock (an "Acquirer," to be defined in III. 2. (1) [1] below) to be inappropriate as a party who controls the decisions on our financial and/or business policies and the Board, as a body responsible for business management with fiduciary duty to take due care of the company, obviously needs to take actions, if necessary, in order to enhance the Group's corporate values and maximise the common interests of our shareholders, to the extent permissible by Laws and Regulations and our Articles of Incorporation.

II. Special Actions for Implementing the Basic Policy

(1) Businesses and the mission of the Group

With its mission to "Make everyday cooking fun!" articulated in Article 2 of the Articles of Incorporation, the Group operates the "Cookpad" platform to provide services for posting and searching for cooking recipes as our principal business. To deliver on this mission, the Group strives to, from the perspective of cooking, find, consider and solve various problems people, society and this planet currently have, redefining "affluence" and helping people to create it. This is the Group's basic policy for corporate management.

(2) Actions for enhancement of corporate values

"Cookpad" has grown into a service broadly recognised in Japan as a platform to help answer the everyday question of "What should I cook today?" with the help of posts from users.

To achieve our mission to "Make everyday cooking fun!" however, we believe we need to solve various problems society and the earth have because good cooking makes for better health and in turn an affluent society and a better future for the planet. This idea highlights the necessity for us to increase the number of "creators involved in cooking" and make our mission possible.

The Group has marked the period of ten years from 2017 as an investment phase, taking actions to enhance the corporate values and maximise the shareholder value while setting the following three goals.

[1] Make our service genuinely global

The everyday question of "What should I cook today?" is not specific to Japan but asked across the globe. At this time, "Cookpad," our platform for posting and searching for recipes is used in 76 countries in 34 languages.

In the belief that cooking-related issues are universal and that it is vital that the number of "creators involved in cooking" should increase to deliver on our mission, we aim to help solve such issues and ensure that our service is not dedicated to a specific country but used globally.

[2] Render our service not only useful but also fun and enjoyable

While we have secured a dominating position in the Japanese market with "Cookpad," which is seen as a simple and useful platform where users can find recipes easy enough to make at home, we still believe that "making cooking fun and enjoyable" is a quick route to having more home cooks for our mission and the key to driving more people to be involved in cooking.

[3] Transition from a recipe site operator into a cooking-related service provider

Sharing recipe ideas helps answer the question of "What should I cook today?" but cooking involves more than that, including the production, distribution and purchase of food. We strive to solve material issues arising somewhere in the entire process leading to dishes, going beyond just providing a recipe service.

(3) Enhancing corporate governance

[1] Basic views on corporate governance

As a group of companies providing services related to cooking, the Group believes public trust is fundamental to its business and therefore strives to maintain trustworthiness in order to build corporate values on it. This belief has led to a recognition that it is vital for the Group to develop systems for timely, appropriate corporate governance and ensure transparency and efficiency of management at all times.

[2] Overview of the corporate governance system and why we adopted it

To maintain society's trust, in addition to above [1], it is also essential that the Group should consistently enhance its corporate values. In light of this, the Company recognised the need to build a system that separates the supervisory and executive functions for the most effective management and transitioned to a Company with the Three Board Committees via a resolution at the General Meeting of Shareholders held on 24 July 2007. The Board, with the majority comprising outside directors, delegates substantial authority to executive officers and supervises as an independent body the performance of executive officers, thus achieving the balance between "dynamic, flexible business execution" and "timely, appropriate supervision." This structure for the best decision-making ensures appropriate corporate management and having the three board committees, with the majority of each comprising outside directors, further ensures the "separation of supervisory and executive functions."

The Company's corporate governance system for making decisions regarding the execution of business, auditing and supervision, nominations, remuneration and other matters is described below.

♦ Board of Directors

The Company's Board of Directors, consisting of five directors of the Company ("Directors," including three outside directors), determines basic policies on business management and, delegating substantial authority to executive officers of the Company ("Executive Officers"), supervises business execution by the Executive Officers.

♦ Three Board Committees

1. Audit Committee

The Audit Committee consists of three outside directors, whom the Company has appointed in the belief that a team of outside directors with different expertise can review the Company's business management from multiple, diverse perspectives. The matters to be discussed at the Audit Committee include the status of review and oversight of business execution by Directors and Executive Officers as well as proposals for appointment and dismissal of independent auditors to be presented to the General Meeting of Shareholders. Audit assistants, functioning as the bureau of the committee, inform meeting attendees of matters to be discussed in advance and send relevant materials to absent members for prompt, proper operation of the committee.

2. Nominating Committee

The Nominating Committee consists of three Directors including two outside directors. Outside directors shall represent the majority to ensure proper nomination. The matters to be discussed at the Nominating Committee include proposals for appointment and dismissal of directors to be presented to the General Meeting of Shareholders. The bureau of the committee in the Personnel Division informs meeting attendees of matters to be discussed in advance and sends relevant materials to absent members for prompt, proper operation of the committee.

3. Compensation Committee

The Compensation Committee consists of three Directors including two outside directors. Outside directors shall represent the majority to ensure proper remuneration and fair evaluation of business execution from a supervisory viewpoint. The matters to be determined at the Compensation Committee include basic policies on remuneration for Directors and Executive Offices, the individual amounts of compensations and specific calculation methods. The bureau of the committee in the Personnel Division informs meeting attendees of matters to be discussed in advance and sends relevant materials to absent members for prompt, proper operation of the committee.

♦ Executive Officers

Executive Officers make resolutions or decisions on matters concerning business execution in accordance with basic policies formulated by the Board.

♦ Auditing System

The Audit Committee, Audit Assistants and internal auditors develop the Company's auditing system in cooperation with external auditors and legal advisors.

[3] Other

Additionally, the Company strives to enhance its corporate governance regime according to the latest version of Japan's Corporate Governance Code. For the details of the Company's corporate governance regime, please refer to the Corporate Governance Report of the Company. (https://info.cookpad.com/en/ir/management_index/governance/).

III. Actions for Preventing Parties Deemed to Be Inappropriate Based on the Basic Policy from Controlling the Company's Decisions on Financial and Business Policies

1. Objectives of the Plan

We believe, as described in above Section I, that actions may be required against some Acquirers under certain circumstances. As a publicly traded company, however, we agree that fundamentally, our shareholders should take final decisions on whether to sell shares of our stock to them and whether to let them run the Company.

As a prerequisite for taking proper decisions, shareholders need to have an adequate knowledge about the Group's corporate values and the sources thereof, as well as the business attributes specific to the Company and the Group and their history. In a readily conceivable scenario, an Acquirer does not provide information adequate for shareholders to understand how its Large-Scale Share Acquisition can affect the Group's corporate values and the sources thereof. To ensure shareholders take proper decisions, we believe that the Board, which fully understands the business attributes specific to the Company and the Group, needs to provide relevant information, its evaluation and opinion on the Large-Scale Share Acquisition, and, if required, its own proposal.

Consequently, we recognise that it is essential to secure and provide enough time for shareholders to analyse diverse data and information sets and consider all options.

In light of these considerations and the Basic Policy described above, we have concluded that we need to introduce the Plan as part of our initiatives to prevent a party deemed to be inappropriate based on the Basic Policy by requesting the Acquirer to provide in advance necessary information on the Large-Scale Share Acquisition and give us time to consider its proposal and negotiate with it so that our shareholders can take proper decisions on whether to accept its proposal, providing opinions for or against the Large-Scale Share Acquisition that the Board has formed in consideration of recommendations from the Independent Committee (to be defined in 2. (1) [5] below) or alternative proposals to replace the Acquirer's proposal for takeover, business development or other plans (an "Alternative Proposals") or negotiating with the Acquirer on behalf of our shareholders. Evidently, it is desirable that we should know the intention of our shareholders. Although the Plan came into effect today, we plan to propose the adoption of the Plan as a resolution at the General Meeting 2022 to survey the intention of our shareholders regarding the adoption of the Plan.

The Board put the Plan into effect today for the reasons described above, but we decided to adopt the Plan on condition that after presenting a resolution for the adoption of the Plan to see the intention of our shareholders, we will immediately abolish the Plan if the resolution is rejected.

The major shareholders of the Company as of 30 June 2021 are shown in Annex 1 "Major Shareholders of the Company." At this time, we do not expect to become involved in any Large-Scale Share Acquisition.

Mr. Akimitsu Sano, Director and Executive Officer, is the founder and the top shareholder of the Company, owning 43.36% of the outstanding shares of its stock. Since we maintain a friendly relationship with Mr. Sano, the Plan is not applicable to him at this time. The Company and Mr. Sano

take decisions independently of each other and no agreement has been made between the two to ensure that Mr. Sano will continue to hold shares of the Company's stock for a specific period of time. Therefore, we cannot rule out the decline in Mr. Sano's holding ratio in the future due to, for instance, sale of his shares under certain circumstances and we cannot assure that Mr. Sano will permanently remain our leading shareholder.

2. Details of the Plan

The Plan, as described below, contains the rules to be followed by Acquirers and has been designed to show them the possibility of their suffering damage from countermeasures taken by the Company under certain circumstances and warn of this possibility Acquirers who contribute to neither the Group's corporate values nor the common interests of the Company's shareholders through appropriate disclosure.

(1) Procedures of the Plan

[1] Relevant Large-Scale Share Acquisitions

The Plan will be applied when the acquisition of shares of the Company's stock or an equivalent movement has been or is attempted to be made and such acquisition or movement has not been approved by the Board and possibly or certainly falls under any of the statements from (i) to (iii) below. The party who makes or attempts to make a Large-Scale Share Acquisition shall follow the procedures prescribed in the Plan.

(i) A purchase or other acquisition that would result in the share certificates, etc. (*kabuken tou*; hereinafter "SHARES")[1] holding ratio (*kabuken tou hoyuu wariai*)[2] of a certain shareholder of the Company amounting to 20% or more of all SHARES issued by the Company.[3]

(ii) A purchase or other acquisition that would result in the total of the share certificates, etc. (*kabuken tou*)[4] holding ratios (*kabuken tou hoyuu wariai*)[5] of a certain shareholder of the Company and of a party having a special relationship with the shareholder (*tokubetsu*

コメントの追加 [SK1]: 書式修正をお願いします

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[1] "Share certificates, etc." refers to "*kabuken tou*" defined in Article 27-23 (1) of Japan's Financial Instruments and Exchange Act. The same applies hereinafter unless otherwise specified.

[2] "Share certificates, etc. holding ratio" refers to "*kabuken tou hoyuu warian*" defined in Article 27-23 (1) of Japan's Financial Instruments and Exchange Act. The same applies hereinafter unless otherwise specified. In the calculation of the holding ratio, the following parties are deemed as joint holders of the certain shareholder, which refer to "*kyoudou hoyuu-sha*" defined in Article 27-23 (5) of Japan's Financial Instruments and Exchange Act and includes those who the Board deems as joint holders (the same hereinafter): (a) "*tokubetsu kankei-sha*" defined in Article 27-2 (7) of Japan's Financial Instruments and Exchange Act; (b) investment banks, securities brokers and other financial institutions under a financial agreement with the certain shareholder and a tender offer agent and the leading managing underwriter of the certain shareholder ("Contracting Financial Institutions") and lawyers, accountants and other advisers; and (c) people who have acquired SHARES of the Company's stock through off-market bilateral transactions or extended-hours transactions at the Tokyo Stock Exchange (ToSTNeT-1) with parties that fall under (a) or (b) above. Additionally, in the calculation of the holding ratio, the latest data published by the Company is used for the total number of outstanding shares of the Company's stock.

[3] Such purchase or other acquisition shall involve a claim for delivery of SHARES under a sale and purchase contract and includes transactions provided in Article 14-6 of the Order for Enforcement of Japan's Financial Instruments and Exchange Act.

[4] "Share certificates, etc." refers to "*kabuken tou*" defined in Article 27-2 (1) of Japan's Financial Instruments and Exchange Act. The same applies in this (ii).

[5] "Share certificates, etc. holding ratio" refers to "*kabuken tou hoyuu warian*" defined in Article 27-2 (8) of Japan's Financial Instruments and Exchange Act. The same applies hereinafter unless otherwise specified. In the calculation of the holding ratio, the latest data published by the Company is used for the total number of shares of the Company's stock with voting rights.

kankei-sha)[6] amounting to 20% or more of all SHARES issued by the Company.[7]

(iii) An action undertaken by a certain shareholder of the Company with another shareholder(s) of the Company that would result in an agreement or other arrangement between them where another shareholder(s) are deemed as the joint holder(s) of the certain shareholder or in formation of a relationship where either of the certain shareholder or another shareholder(s) effectively controlling the other or a cooperating or coordinating relationship between them.[8,9] This action does not need to fall under (i) or (ii) above, but only applicable in the case where the total of the SHARE holding ratios of the certain shareholder of the Company and of another shareholder(s) amounts to 20% or more of the SHARES issued by the Company.

[2] ~~Prior s~~Submission of the letter of intent to the Company prior to the stock acquisition

Before making a bid for a Large-Scale Share Acquisition, an Acquirer shall submit to the Board a written consent containing a pledge to the effect that it will comply with the procedures prescribed in the Plan in pursuing the proposed Large-Scale Share Acquisition (the "Letter of Intent") prepared in Japanese and in a form specified by the Company.

More specifically, the Letter of Intent shall contain the items listed below and, if the Acquirer is a company or other judicial person, be accompanied by its Articles of Incorporation, certificate of all historical matters (or equivalent) and nonconsolidated and consolidated balance sheets and income statements for the most recent five fiscal years.

(i) Overview of the Acquirer
  (a) Name and address or residence
  (b) If the Acquirer is a company or other juridical person, names and histories over the past ten years of the representative, directors (or equivalent, the same hereinafter), and auditors (or equivalent, the same hereinafter)
  (c) If the Acquirer is a company or other juridical person, its objectives and detailed description of its business
  (d) If the Acquirer is a company or other juridical person, the overview of direct/indirect major shareholders or equity holders (ten largest holders in terms of the share/equity holding ratio) and the ultimate effectively controlling shareholder (equity holder)
  (e) Contact address in Japan
  (f) If the Acquirer is a company or other judicial person, the governing law for incorporation
  (g) Name, location of headquarters and detailed description of business of major investees, and the share/equity holding ratios in those investments

(ii) The number of SHARES of the Company's stock currently held by the Acquirer, and the

コメントの追加 [SK2]: Submission of the letter of intent to the Company prior to stock acquisition に変更をお願いします

[6] "Party having a special relationship with the shareholder" refers to "*tokubetsu kankei-sha*" defined in Article 27-2 (7) of Japan's Financial Instruments and Exchange Act but excludes those provided in Article 2 (2) of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other Than Issuer from those listed in Item 1 of the Article 2 (2).

[7] Such purchase or other acquisition includes not only purchase or other acceptance of transfer for value but also acts similar to acceptance of transfer for value provided in Article 6 (3) of the Order for Enforcement of Japan's Financial Instruments and Exchange Act.

[8] Whether "a relationship where either of the certain shareholder or another shareholder(s) effectively controlling the other or a cooperating or coordinating relationship between them" has been formed or not shall be decided depending on the formation of a new relationship for investment, business partnership, trading or deals, sharing directors or other officers, funding, providing credit facility, sharing interest through SHARES of the Company's stock via derivatives, lent shares and other instruments, and the direct or indirect impacts the certain shareholder and another shareholder(s) will have on the Company.

[9] Whether an action provided in (iii) has been undertaken shall be decided by the Board in a reasonable manner in consideration of recommendations from the Independent Committee. The Board may request shareholders of the Company to provide necessary information to the extent required to take such a decision.

Acquirer's trading status of SHARES of the Company's stock during the 60 days immediately preceding the date of submission of the Letter of Intent

(iii) The overview of the Large-Scale Share Acquisition proposed by the Acquirer. This includes the class and the number of SHARES of the Company's stock planned to be acquired by the Acquirer through the Large-Scale Share Acquisition, and description of each of the objectives of the Large-Scale Share Acquisition (e.g. acquisition of control or participation in management, pure investment or strategic investment, transfer of SHARES of the Company's stock to a third party after the completion of the Large-Scale Share Acquisition, and making material proposals, etc. (*juuyou teian koui*)[10])

[3] Providing necessary information

After submitting the Letter of Intent described in [2] above, the Acquirer shall provide to the Company data and information in Japanese that are necessary and sufficient for shareholders to take decisions and for the Board to make an evaluation and examination on the Large-Scale Share Acquisition ("Necessary Information") following the procedures described below.

The Company sends to the Acquirer's contact address in Japan specified in [2] (i) (e) above the Information List to show information to be initially provided within ten business days[11] after the Letter of Intent was submitted (the date of submission is not included in the ten business days) and requires the Acquirer to provide adequate information to the Company referring to the Information List.

If the information provided by the Acquirer referring to the Information List is reasonably deemed by the Board, taking into account the details and the form of the Large-Scale Share Acquisition, to be insufficient for shareholders to take decisions and for the Board to make an evaluation and an examination, the Company requires the Acquirer to provide additional information, giving it a reasonable deadline. The Company may repeatedly require additional information until the Board decides that adequate Necessary Information has been provided. Note that the deadline for the final response shall not exceed 60 days from the date of receipt of the Information List by the Acquirer even in the case where the Board has not decided that adequate Necessary Information has been provided, though this deadline may be extended upon request from the Acquirer if and to the extent necessary.

Regardless of the details and the form of the Large-Scale Share Acquisition, the Information List shall, in principle, include the items shown below.

(i) Details of the Acquirer and its group (including major shareholders and equity holders (whether direct or indirect; the same hereinafter), major subsidiaries and affiliates, joint holders, and parties having a special relationship; in the case of a fund or its funding entity, (whether founded under the laws of Japan or another jurisdiction, with any legal structure; hereinafter "Funds") or if there is a fund the Acquirer or its group effectively controls or manages, including major partners, equity holders and other members of the fund and parties who consistently provide investment advice to the fund; the same hereinafter). Specifically, the following shall be included: histories, specific names, addresses, governing laws for incorporation, capital structures, investees and the share/equity holding ratios in those investments, businesses, financial statuses, detailed investment policies, and detailed lending and investment activities in the past ten years of the Acquirer and its group, whether either or both of them fall under the "foreign investor" (*gaikoku toushika*) defined in Article 26 (1) of Japan's Foreign Exchange and Foreign Trade Act and the data and information supporting the claim, whether either or both of the Acquirer

[10] "Making material proposals, etc." refers to "*juuyou teian koui*" defined in Article 27-26 (1) of Japan's Financial Instruments and Exchange Act, Article 14-8-2 (1) of the Order for Enforcement of Japan's Financial Instruments and Exchange Act and Article 16 of the Cabinet Office Ordinance on Disclosure of the Status of Large-Volume Holdings in Share Certificates, etc. The same applies hereinafter.

[11] "Business days" mean days other than the days set forth in Article 1 (1) of the Act on Holidays of Administrative Organs.

and its group committed violations of laws or regulations in the past ten years (and the description of the violations, if any), and names of directors and other officers of the Acquirer and its group, their histories over the past ten years, and whether one, some or all of them committed violations of laws or regulations in the past (and the description of the violations, if any).

(ii) Details of the internal control system of the Acquirer and its group (including the internal control system of the group) and the effectiveness or the status of the system.

(iii) Objectives of the Large-Scale Share Acquisition (details of the objectives disclosed in the Letter of Intent), the method and other details of the Large-Scale Share Acquisition. Specifically, the following shall be included: whether the Acquirer intends to participate in management of the Company, types and numbers of SHARES of the Company's stock to be acquired in the Large-Scale Share Acquisition, the planned types and amounts of consideration for the Large-Scale Share Acquisition, the planned timing of the Large-Scale Share Acquisition, structure of any related transactions, the planned number of SHARES to be acquired and the planned holding ratio of the Acquirer after the completion of the purchase, legality of the method of the Large-Scale Share Acquisition (to be accompanied by a licensed lawyer's opinion), feasibility of the Large-Scale Share Acquisition and related transactions (and details of conditions for making a bid for the Large-Scale Share Acquisition, if any), and if the Company will possibly be delisted from the stock or other market after the completion of the Large-Scale Share Acquisition, description of and reasons for that possible development.

(iv) The basis for and the process of the calculation of the consideration for the Large-Scale Share Acquisition. Specifically, the following shall be included: assumptions underlying the calculation, the calculation method, numerical data used in calculation, and the synergy and/or dis-synergy expected from a series of transactions related to the Large-Scale Share Acquisition. Additionally, the name of and information on a third party, if any, from whom an opinion is obtained in performing the calculation, the outline of the opinion, and the process through which the proposed amount is determined based on the opinion.

(v) Supporting documents explaining the source of funds for the Large-Scale Share Acquisition including the specific names of the providers (and/or effective providers, whether direct or indirect) of the funds, the methods for raising the funds, whether the fund raising is subject to any conditions and the description of such conditions, if any, whether collateral is provided and/or covenants are put in place and description of such collateral and/or covenants, and the specific description of related transactions.

(vi) Whether the Acquirer communicates with a third party in making material proposals for conducting the Large-Scale Share Acquisition, the description and the specific form of such communications, if any, and the overview of the third party, if any.

(vii) The Acquirer and its group's holding status for SHARES of the Company's stock, their holding status and contract status for derivatives and other financial instruments based on the assets related to SHARES of the Company's stock or the businesses of the Company or its group, their status of lent and/or burrowed SHARES of the Company's stock, and relevant short-selling or equivalent activities.

(viii) If a lending agreement, a hypothecation agreement, a sell-back agreement, a sales reservation and/or other material contracts or arrangements ("Hypothecation Agreements") have been sighed in connection with SHARES of the Company's stock already held by the Acquirer, the specific terms and conditions of the Hypothecation Agreements including the types of the agreements, the counterparties, and the quantity of SHARES of the Company's stock covered by the agreements.

(ix) If the Acquirer plans to enter into Hypothecation Agreements or any other agreements with a third party in connection with SHARES of the Company's stock to be acquired in the Large-Scale Share Acquisition, the specific terms and conditions of the planned agreements including the types of the agreements, the counterparties, and the quantity of SHARES of the Company's stock covered by the agreements.

(x) The management policies, business plans, financial plans, capital plans, investment plans,

capital policies, dividend policies, and other plans and policies (including plans for selling off, providing collaterals for, or disposing in other manners of the assets of the Company or the Group) planned for the Company and the Group after the completion of the Large-Scale Share Acquisition and the personal histories and other detailed description of prospective directors to be dispatched to the Company or the Group including their expertise and experience in the business fields of the Company and the Group or in similar fields.

(xi) Policies on the treatment given after the completion of the Large-Scale Share Acquisition to the stakeholders of the Company and the Group including directors or other officers, employees, the labour union, suppliers and service providers, and customers of the Company and the Group, and local governments and others.

(xii) Specific measures to avoid any conflict of interest between the Acquirer and the other shareholders of the Company.

(xiii) A written pledge that the Acquirer is not and will not be an abusive acquirer to be defined in [5] (ii) below.

(xiv) Regulatory concerns based on Japan's Foreign Exchange and Foreign Trade Act and other Laws and Regulations in Japan and abroad possibly applicable to the Large-Scale Share Purchase and possibility of the Acquirer obtaining approvals and licenses or equivalent rights to be acquired from governments in Japan or abroad or third parties under the Act on Prohibition of Private Monopolisation and Maintenance of Fair Trade, Japan's Foreign Exchange and Foreign Trade Act, and other Laws and Regulations, to be accompanied by opinions from layers licensed in relevant jurisdictions.

(xv) Possibility of the Acquirer maintaining approvals and licenses necessary for the Group's management and acquired under Laws and Regulations in Japan and abroad after the completion of the Large-Scale Share Acquisition and possibility of the Acquirer complying with Laws and Regulations in Japan and abroad.

(xvi) Whether the acquirer has any associations with antisocial forces or terrorist organisations (whether direct or indirect) and detailed description of such associations, if any.

Upon receipt of a Large-Scale Share Acquisition proposal from the Acquirer, the Board properly discloses the fact in accordance with applicable Laws and Regulations. The Board promptly discloses information deemed to be necessary for shareholders to take decisions, if any, out of the information about the proposal including the overviews of the proposal and Necessary Information.

After deciding that adequate Necessary Information has been provided, the Board promptly discloses the fact in accordance with applicable Laws and Regulations while notifying the Acquirer of its decision (the "Notification of Receipt of Complete Information").

[4] Setting aside time for evaluation by the Board

Either of the periods of time shown in (i) and (ii) below is set aside as time for the Board to make an evaluation and examination, conduct negotiations, form its opinion, and develop alternative proposals (the "Time for Evaluation by the Board") from the following day of the Notification of Receipt of Complete Information, depending on the difficulty of evaluation of the Large-Scale Share Acquisition proposal and other factors before the Company promptly discloses the Time for Evaluation by the Board in accordance with applicable Laws and Regulations. The Large-Scale Share Acquisition shall only be launched after the Time for Evaluation by the Board has passed, unless otherwise described in the Plan.

(i) For a takeover bid for all SHARES of the Company's stock with consideration only in cash (in Japanese yen): up to 60 days.

(ii) For other Large-Scale Share Acquisition proposals: up to 90 days

However, for both cases (i) and (ii) above, the Time for Evaluation by the Board may be extended by up to 30 days if the Board decides that there is a reasonable reason to do so. In such cases, the Company notifies the Acquirer of the length of and the specific reason for the

extension while disclosing the fact to its shareholders and investors in accordance with applicable Laws and Regulations.

During the Time for Evaluation by the Board, the Board shall make a detailed evaluation and examination of the Necessary Information provided by the Acquirer, while obtaining advice from external experts if and when necessary, and thus examine the details of the Large-Scale Share Acquisition proposal made by the Acquirer, from the perspective of protecting and enhancing the Group's corporate values and the common interests of the Company's shareholders. Subsequently, the Board builds a consensus on such examinations to carefully form its opinion on the Large-Scale Share Acquisition proposal and notifies the Acquirer of it while disclosing it to the Company's shareholders and investors in a timely, appropriate manner and in accordance with applicable Laws and Regulations.

The Board also negotiates the terms and conditions and the method of the Large-Scale Share Acquisition as necessary and may present alternative proposals to the Company's shareholders and investors.

[5] Recommendations from the Independent Committee regarding the implementation of countermeasures

For the Plan, the Company has set up the Independent Committee to preclude arbitrary decisions by the Board and to ensure objectivity and reasonableness of its decisions and responses. The Independent Committee provides recommendations to the Board on whether to take countermeasures against Large-Scale Share Acquisition proposals, consisting only of parties independent of the Company's senior executives in charge of business execution, including outside directors of the Company and outside experts (experienced corporate managers, former employees of government agencies, lawyers, certified accountants, academics and equivalent parties) in accordance with the Rules for the Independent Committee (for the overview of the rules, please refer to Annex 2). The names and brief histories of the initial members of the Independent Committee as of the adoption of the Plan are shown in Annex 3.

During the Time for Evaluation by the Board, the Independent Committee shall provide recommendations to the Board on whether countermeasures should be taken, following the procedures outlined below while the Board makes an evaluation and examination, conduct negotiations, form its opinion, and develop alternative proposals as described in [4] above. At the time, the Independent Committee may, at the Company's expense, obtain advice from outside experts independent of the Company's senior executives in charge of business execution (including investment banks, securities brokers, financial advisors, certified accountants, attorneys, consultants and other experts) to ensure that its recommendations help to protect and enhance the Group's corporate values and the common interests of the Company's shareholders. Upon receipt of recommendations as listed in (i) and (ii) below from the Independent Committee, the Board promptly discloses the fact that such recommendations have been made and the overview of the recommendations together with information about other matters deemed by the Board to be appropriate to be disclosed, in accordance with applicable Laws and Regulations.

(i) In cases where the Acquirer does not follow the procedures prescribed in the Plan

If the Acquirer has committed a material violation of the procedures prescribed in the Plan and has not taken corrective actions within five business days after the Board made a request in writing to the Acquirer for correction (the date of request is not included in the five business days), the Independent Committee will, in principle, recommend the Board to take countermeasures, unless it is obvious that to protect and enhance the Group's corporate values and the common interests of the Company's shareholders, the Board should NOT take countermeasures or there are other special circumstances.

(ii) In cases where the Acquirer follows the procedures prescribed in the Plan

If the Acquirer has followed the procedures prescribed in the Plan, the Independent

コメントの追加 [SK3]: follows に修正お願いします

Committee will, in principle, recommend the Board NOT to take countermeasures.

Even in such cases, however, the Independent Committee may exceptionally recommend the Board to take countermeasures against a Large-Scale Share Acquisition proposal if the committee has concluded that such acquisition can significantly undermine the Group's corporate values and the common interests of the Company's shareholders and that the implementation of countermeasures is appropriate for the reasons described in (a) through (k) below (Acquirers that fall under these items are defined as "Abusive Acquirers").

コメントの追加 [SK4]: Acquirers に修正お願いします

(a) The Acquirer is deemed as a party who does not have any intention to participate in corporate management and is acquiring or intends to acquire SHARES of the Company's stock only for the purpose of driving their price higher and then selling them to the Company or its related party at a high price (so-called greenmailer) or is deemed as a party who is acquiring SHARES of the Company's stock. mainly for the purpose of gaining short-term profits.

(b) The Acquirer is deemed as a party who is acquiring SHARES of the Company's stock for the purpose of transferring to the Acquirer or its group companies, etc. acquired assets of the Company or the Group such as intellectual property rights, know-how, confidential information, major business partners and customers that are necessary for the business operation of the Company or the Group after temporarily gaining control over the corporate management of the Company

(c) The Acquirer is deemed as a party who is acquiring SHARES of the Company's stock for the purpose of using acquired assets of the Company or the Group as collateral for or the source of funds to repay debts of the Acquirer or its group companies, etc. after gaining control over the corporate management of the Company.

(d) The Acquirer is deemed as a party who is acquiring SHARES of the Company's stock for the purpose of selling or disposing of acquired high-value or other assets such as real estate and securities that are not currently related to the business of the Company or the Group after temporarily gaining control over the corporate management of the Company, in order to temporarily make the Company pay higher dividends using the proceeds from the sale or disposition or to deliberately sell SHARES of the Company's stock at a high price after their price has surged because of the temporarily higher dividends.

(e) The Acquirer is deemed as a party who is acquiring SHARES of the Company's stock but has no particular interest or involvement in the management of the Company and aims to take various measures to gain profits including sale of them back to the Company or a third party and, ultimately, disposition of acquired assets of the Company for the purpose of pursuing its own gains.

(f) The Acquirer's proposed method for purchasing SHARES of the Company's stock is deemed as the one that imposes restrictions on the opportunity or freedom for the Company's shareholders to take decisions with a so-called "coercive two-tier takeover bid" (carrying out a takeover bid in two steps where the Acquirer does not solicit the sale of all SHARES of the Company's stock in the first stage while offering inferior or unclear deal for the second stage) and could effectively coerce the Company's shareholders into selling SHARES of the Company's stock.

(g) The deal the Acquires offers regarding the purchase of SHARES of the Company's stock is deemed to be significantly inadequate or improper compared to the Company's intrinsic corporate values proposed by the Acquirer. The deal here includes but not limited to the types and the amount of the consideration, basis of calculation of the consideration, other specific terms and conditions such as the timing and method of the acquisition, and whether the offer is legal and feasible.

(h) The acquisition of control over the Company by the Acquirer is deemed as the one that could clearly prevent the Company from protecting and enhancing the Group's corporate values and the common interests of its shareholders as it is expected that such control would spoil the relationships with not only the Company's shareholders but also the sources of the Group's corporate values, namely its customers, employees and other stakeholders, and thus significantly undermine the Group's corporate values and the

common interests of the Company's shareholders.

(i) The Group's corporate values expected after the Acquirer gains control over the Company is deemed to be significantly less compared to the Group's corporate values expected on a mid-to long-term basis if the Acquirer does not gain control over the Company.

(j) The Acquirer is deemed to be clearly inappropriate as a controlling shareholder of the Company in light of the public policy doctrine, as in cases where some of the senior executives or major shareholders or equity holders of the Acquirer have associations with anti-social forces or terrorist organisations.

(k) The Group's corporate values and the common interests of the Company's shareholders are deemed to be compromised significantly in cases equivalent to (a) through (j) above.

[6] Resolutions adopted by the Board

The Board shall fully respect recommendations from the Independent Committee provided in [5] above and, taking them into account, promptly adopt necessary resolutions including those to take or not to take countermeasures with a view to protecting and enhancing the Group's corporate values and the common interests of shareholders.

Even when recommended by the Committee to adopt a resolution not to take countermeasures, the Board may, while fully respecting it, convene a General Meeting of Shareholders of the Company using the method provided in [7] below in order to ask the Company's shareholders whether the Company should take countermeasures or not, in the case where the Board decides that following the recommendation would cause directors to violate their fiduciary duty to take good care of the Company, adopting a resolution to take countermeasures or not adopting a resolution not to take them.

Even after adopting a resolution to take countermeasures or starting to take countermeasures, the Board shall adopt a resolution to suspend the implementation of countermeasures if (i) the Acquirer withdraws the Large-Scale Share Acquisition proposal or (ii) there have been changes in the facts underlying its decisions as to whether countermeasures should be taken and it is no longer considered appropriate to take countermeasures from the perspective of protecting and enhancing the Group's corporate values and the common interests of the Company's shareholders,

After adopting the above resolutions, the Board will promptly disclose the overview of them including evaluations, decisions and opinions of the Board as to whether or not to take countermeasures and other matters deemed by the Board to be appropriate to be disclosed, in accordance with applicable Laws and Regulations.

[7] Convening a General Meeting of Shareholders of the Company

In cases where the Acquirer does not follow the procedures prescribed in the Plan and the Board decides that it should convene a General Meeting of Shareholders to survey the Company's shareholders' intention as to whether the Company should take countermeasures under the Plan, the Board will convene a General Meeting of Shareholders as promptly as possible. Even in cases where the Acquirer follows the procedures prescribed in the Plan but the Board has adopted a resolution to take countermeasures with a view to protecting and enhancing the Group's corporate values and the common interests of the Company's shareholders, the Board will convene a General Meeting of Shareholders as promptly as possible. In these cases, the Acquirer shall conduct the Large-Scale Share Acquisition after a proposal to take countermeasures is rejected at the General Meeting of Shareholders of the Company and the meeting is concluded. If a proposal to take countermeasures under the Plan is approved, the Board shall adopt a resolution to take countermeasures under the Plan against the Large-Scale Share Acquisition. If the proposal to take countermeasures under the Plan is rejected, the Board will not adopt a resolution to take countermeasures under the Plan against the Large-Scale Share Acquisition.

Even if the procedures to convene the General Meeting of Shareholders are completed, in cases where the Board subsequently adopts a resolution not to take countermeasures, or where

the Acquire does not follow the procedures prescribed in the Plan and the Board has concluded that it is appropriate to take countermeasures, the Company may suspend the procedures to convene the General Meeting of Shareholders. After such a resolution has been adopted, the Board will promptly disclose the overview of them including evaluations, decisions and opinions of the Board as to whether or not to take countermeasures and other matters deemed by the Board to be appropriate to be disclosed, in accordance with applicable Laws and Regulations.

(2) Specific description of countermeasures under the Plan

In principle, the Company allots share subscription warrants as countermeasures against a Large-Scale Acquisition to be taken under the Plan ("Share Subscription Warrants") without contribution. However, other countermeasures permitted by Laws and Regulations and the Company's Articles of Incorporation may be taken if they are deemed to be appropriate.

The overview of the allotment of Share Subscription Warrants is provided in Annex 4 "Overview of the Allotment of Share Subscription Warrants Without Contribution." For the actual allotment, various conditions such as the exercise period, conditions for exercise, and provisions for acquisition may be set taking into account their effectiveness as countermeasures against the Large-Scale Share Acquisition. More specifically, these conditions include: (i) conditions for exercise of warrants which do not permit the Acquirer, its joint holders and parties having a special relationship with it, who are identified as such by the Board following the prescribed procedures, and parties deemed by the Board to be controlled by and in cooperation or coordination with these parties ("Exceptional Parties") to exercise their share subscription warrants; and (ii) provisions for acquisition to the effect that the Company may only acquire Share Subscription Warrants held by the Company's shareholders other than Exceptional Parties in acquiring part of the Share Subscription Warrants, or provisions for acquisition to the effect that the Company will receive other share subscription warrants with certain restrictions on exercise or provisions for acquisition for Share Subscription Warrants held by Exceptional Parties whereas the Company will receive ordinary shares for Share Subscription Warrants held by the other shareholders.

(3) Effective period, abolition and changes to the Plan

The effective period of the Plan will end at the conclusion of the General Meeting of Shareholders for the last fiscal year out of the fiscal years terminating within three years after the end of the General Meeting 2022.

If a resolution to abolish the Plan is adopted by the Board consisting of Directors elected at a General Meeting of Shareholders of the Company, the Plan shall be immediately abolished even during the effective period.

The Board of Directors may amend and/or modify the Plan to the extent reasonably necessary to accommodate changes to Laws and Regulations, changes in the interpretation or application thereof, or changes in the tax system or case law, after obtaining approval from the Independent Committee. Meanwhile, the Board will present the matter to the closest future General Meeting of Shareholders to obtain approval from the Company's shareholders if changes to the Plan can have a substantial impact on them.

If the Plan is abolished and changes to the Plan that can have a substantial impact on the Company's shareholders are made, the Company will promptly disclose the fact and the detailed description of changes, if any, and other matters deemed by the Board to be appropriate to be disclosed, in accordance with Laws and Regulations.

3. Rationale of the Plan

The Plan satisfies all the three principles (principle of protecting and enhancing corporate values and common interests of shareholders, principle of prior disclosure and shareholders' intention, and principle of ensuring necessity and reasonableness of defensive measures) provided in the "Guidelines Regarding Takeover Defence for the Purposes of Protection and Enhancement of Corporate Values and Shareholders' Common Interest" jointly published by the Ministry of

Economy, Trade and Industry (METI) and the Ministry of Justice on 27 May 2005, and is based on the "Takeover Defence Measures in Light of Recent Environmental Changes" published by the Corporate Values Study Group, established within METI, on 30 June 2008, "Principle 1-5. Takeover Defence Measures" of Japan's Corporate Governance Code introduced by the Tokyo Stock Exchange on 1 June 2015 through amendments to the Securities Listing Regulations and then revised on 1 June 2018 and on 11 June 2021, and other guidelines based on practice and debates on anti-takeover measures. Therefore, it is reasonable to state that the Plan is highly rational.

(1) Principle of protecting and enhancing corporate values and common interests of shareholders

As described in above Section 1, the Plan enables the Company, in the case where a Large-Scale Share Acquisition proposal for SHARES of the Company's stock is made, to secure adequate information and time so that the Company's shareholders can take proper decisions on whether to accept the proposal and that the Board can present an alternative proposal, negotiate with the Acquirer on behalf of the Company's shareholders, and take other actions, in order to protect and enhance the Group's corporate values and the common interests of the Company's shareholders.

(2) Principle of prior disclosure and shareholders' intention

The Board has also resolved that the Company will present to the General Meeting 2022 the proposal for adoption of the anti-takeover measures under the Plan, which has been approved by the Board, to seek approval from the Company's shareholders. As stated in 2 (3) above, even after approved al at this Annual General Meeting of Shareholders if a resolution to abolish the Plan is adopted by the Board consisting of Directors elected at a General Meeting of Shareholders of the Company, the Plan shall be immediately abolished. In cases where the Acquirer has followed the procedures prescribed in the Plan, the Company shall convene the General Meeting of Shareholders to survey their intention as to whether the Company should take countermeasures. Therefore, it is reasonable to state that the Company's shareholders' intention will be fully incorporated into the conditions for continuation of the Plan.

(3) Principle of ensuring necessity and reasonableness

[1] Establishing the Independent Committee and fully respecting its recommendations while ensuring appropriate information disclosure

As described in above Section 2, the Company has set up the Independent Committee to preclude arbitrary decisions by the Board and to ensure objectivity and reasonableness of its decisions and responses regarding issues including whether to take countermeasures against Large-Scale Share Acquisition proposals. The Independent Committee consists only of parties independent of the Company's senior executives in charge of business execution, including outside directors of the Company and outside experts (experienced corporate managers, former employees of government agencies, lawyers, certified accountants, academics and equivalent parties). The Plan requires the Board to fully respect recommendations from the Independent Committee, which may, at the Company's expense, obtain advice from outside experts independent of the Company's senior executives in charge of business execution (including investment banks, securities brokers, financial advisors, certified accountants, attorneys, consultants and other experts) to ensure that its recommendations help to protect and enhance the Group's corporate values and the common interests of the Company's shareholders.

Furthermore, the Company requires the overview of the Independent Committee's decisions to be disclosed to the Company's shareholders and investors in accordance with Laws and Regulations and ensures transparency of the committee's operation to help enhance the Group's corporate values and the common interests of the Company's shareholders.

[2] Reasonable and objective requirements for triggering the Plan

As described in above Section 2, the Plan has been devised to be triggered only when satisfying reasonable and objective requirements to preclude arbitrary invocation by the Board

[3] Not for dead-hand or slow-hand anti-takeover measures

As described in 2 (3) above, the Plan may be abolished anytime by the Board of Directors

consisting of Directors elected at the General Meeting of Shareholders of the Company. Therefore, the Plan is not for "dead-hand" anti-takeover measures, which cannot be prevented from being triggered even after replacing a majority of the members of the Board of Directors. Since the Company does not employ staggered terms, the Plan is not for "slow-hand" anti-takeover measures, which require much time to be stopped from being triggered, as the members of the Boards cannot be replaced at once.

4. Impact on ~~s~~Shareholders and ~~i~~Investor~~s~~

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(1) Impact on shareholders and investors when introducing anti-takeover measures under the Plan

The introduction of the anti-takeover measures under the Plan itself does not trigger the issuance of Share Subscription Warrants and thus will not have any direct, specific impact on the legal rights and economic benefits pertaining to the shares of the Company's stock held by its shareholders.

As described in 2 (1) above, the Company's policies for responding to the Large-Scale Share Acquisition will vary depending on whether the Acquirer complies with the Plan, so shareholders and investors are advised to pay due attention to actions taken by the Acquirer.

(2) Impact on shareholders and investors when Share Subscription Warrants are allotted without contribution

After the Board decides to take countermeasures, Share Subscription Warrants will be allotted without contribution to the Company's shareholders whose names are recorded in the shareholder register as of the allotment date to be specified separately by the Board ("Allotment Date") at the rate of up to one Share Subscription Warrant Right per share held. This structure ensures that while the allotment of Share Subscription Warrants without contribution causes dilution of the per-share value of the Company's stock, it does not cause dilution of the total value of shares of the Company's stock held by each shareholder and neither is it expected to have any direct, specific impact on the legal rights and economic benefits pertaining to shares of the Company's stock held by its shareholders.

For Exceptional Parties, however, their legal rights and economic benefits may eventually be impacted by the implementation of countermeasures.

In the case where the Board adopts a resolution to allot Share Subscription Warrants without contribution and subsequently decides to suspend the implementation of countermeasures, the share price of the Company's stock may suffer a substantial volatility accordingly. For example, if the Company suspends the implementation of countermeasures after the shareholders to receive Share Subscription Warrants without contribution are determined and thereby acquires Share Subscription Warrants without contribution without delivering new shares, no dilution of per-share value of the Company's stock held by each shareholder occurs. Accordingly, the Company's shareholders and investors who have traded shares of the Company's stock on the assumption such dilution would occur may be exposed to a loss due to share price fluctuation.

In the case where discriminatory conditions are set for exercise or acquisition of Share Subscription Warrants, the legal rights and economic benefits of Exceptional Parties are expected to be affected by the exercise or acquisition, but such conditions are not expected to have a direct, specific impact on the legal rights and economic benefits pertaining to the Company's shares held by shareholders other than Exceptional Parties.

(3) Procedures to be followed by shareholders after Share Subscription Warrants are allotted without contribution

No particular procedures are to be followed as shareholders whose names are recorded in the latest shareholder register as of Allotment Date for Share Subscription Warrants without contribution would naturally become holders of share options as of the effective date of the allotment. Furthermore, if provisions for acquisition are set on these Share Subscription Warrants without contribution and the Company acquires Share Subscription Warrants, shareholders will

receive shares of the Company's stock as contribution for the Company acquiring the Share Subscription Warrants without making monetary contributions equivalent to the value of the Share Subscription Warrants. For Exceptional Parties, however, new shares may not be granted for Share Subscription Warrants they hold, or they may receive other share subscription warrants with certain restrictions on exercise and provisions for acquirement as contribution on a one-to-one basis for each Share Subscription Warrant held. In addition to the above, after the Board adopts a resolution to allot these Share Subscription Warrants without contribution, the allotment method, the exercise method, the method of acquisition by the Company, and other details of the required procedures will be disclosed or notified of in a timely, appropriate manner for the Company's shareholders to check these details, in accordance with applicable Laws and Regulations.

Annex 1

Major Shareholders of the Company

(As of 30 June 2021)

Name	Ownership	
	Number of shares held (thousands)	Percentage
Mr. Akimitsu Sano	46,582	43.36
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,384	3.15
Toppan Inc.	3,215	2.99
MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	2,376	2.21
The Bank of New York Mellon 140051 (Standing proxy: Mizuho Bank, Ltd. (Settlement & Clearing Services Division))	2,169	2.02
BNP Paribas Securities Services Luxembourg/JASDEC/Janus Henderson Horizon Fund (Standing proxy: HSBC Services Japan Limited (Custody Service Department, Tokyo Branch))	2,167	2.02
Custody Bank of Japan, Ltd. (Trust Account)	1,443	1.34
Mr. Shuhei Morofuji	1,050	0.98
Custody Bank of Japan, Ltd. (Trust Account 5)	1,034	0.96
Mr. Ryota Furukawa	978	0.91

Note: 1. The numbers of shares and the percentages are rounded to the nearest thousand and hundredth, respectively.
2. The percentages have been calculated excluding treasury shares.

Annex 2

Overview of the Rules for the Independent Committee

1. The Independent Committee is established based on the resolution adopted by the Board in order to preclude arbitrary decisions by the Board concerning, among others, the implementation of countermeasures against Large-Scale Share Acquisition proposals and to ensure the objectivity and reasonableness of the decisions and responses of the Board
2. The Independent Committee shall consist of three or more members who will be appointed based on the resolution adopted by the Board from among those who are either (1) outside directors of the Company or (2) outside experts (experienced corporate managers, former employees of government agencies, lawyers, certified accountants, academics, or equivalent parties) independent of senior executives in charge of business execution of the Company. The Company shall enter into an agreement with members of the Independent Committee members to put them under a fiduciary duty and confidentiality obligations.
3. The term of office of an Independent Committee member shall start from the date of appointment and ends on the date of conclusion of the General Meeting of Shareholders for the last fiscal year out of the fiscal years terminating within three years after the date of appointment or another day separately agreed between the Company and the member, unless otherwise specified by a resolution adopted by the Board.
4. The Independent Committee is convened by any Director or any member of the Independent Committee.
5. The chairperson of the Independent Committee is elected from among members of the Independent Committee by a vote of the members.
6. The Independent Committee adopts resolutions by majority of the votes with all members present at the meeting. However, in the event of an accident or other special circumstances preventing one or more members of the Independent Committee from voting, resolutions are adopted by majority of the votes with all the other members present at the meeting.
7. The Independent Committee deliberate and adopt resolutions on the matters listed below and provide recommendations based on its decisions to the Board accompanied by the reasons for those recommendations.
   (1) Whether countermeasures under the Plan should be taken
   (2) Suspending the implementation of countermeasures under the Plan
   (3) Abolishment of or changes to the Plan
   (4) Any other matters related to the Plan on which the Board chooses to seek advice from the Independent Committee

   In deliberating and adopting resolutions by the Independent Committee, each member is required to do so solely from the perspective of whether the matter in question contributes to the Group's corporate values and the common interests of the Company's shareholders and shall not do so for the purpose of seeking personal benefits for themselves or senior executives of the Company.
8. The Independent Committee may have Directors and/or employees of the Company or any other persons deemed to be necessary attend its meeting as needed and request from them opinions or explanations on matters specified by the committee.
9. The Independent Committee may, at the expense of the Company, obtain advice of external experts independent of senior executives in charge of business execution of the Company in performing its duties. External experts include the following: investment banks, securities companies, financial advisors, certified accountants, lawyers and consultants.

Annex 3

Names and Brief Histories of the Independent Committee's Members

Toru Kitagawa

Born on 4 Aug. 1960

Apr. 1983	Joined Kanematsu-Gosho, Ltd. (currently Kanematsu Corporation)
Nov. 1999	Joined Japan Communications Inc. as Head of Management Planning Office
Feb. 2001	Joined Baltimore Technologies Japan Co., Ltd. as Senior Operating Officer in charge of Finance
Jan. 2002	Joined Levi Strauss Japan K.K. as Finance Comptroller
Sep. 2006	Joined Starbucks Coffee Japan, Ltd. as Chief Financial Officer/Corporate Officer
Mar. 2016	Joined the Company as Director (present)
Jun. 2017	Joined KOA Corporation as Outside Director (present)
Mar. 2018	Joined KAYAC Inc. as Outside Director (present)

Daisuke Yanagisawa

Born on 19 Feb. 1974

Apr. 1996	Joined Sony Music Entertainment (Japan) Inc.
Aug. 1998	Founded KAYAC Ltd. as Unlimited Partner
Jan. 2005	Founded KAYAC Inc. as Representative Director
Dec. 2014	Appointed as Representative Director and CEO
Sep. 2015	Joined TOW Co., Ltd. as Outside Director (present)
Mar. 2016	Joined the Company as Director (present)
Oct. 2019	Joined INCLUSIVE Inc. as Outside Director (present)

Yasuyo Iga

Born 6 Apr. 1963

Apr. 1986	Joined The Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)
Jun. 1993	Earned MBA degree from Haas School of Business, University of California, Berkeley
Aug. 1993	Joined McKinsey & Company, Inc. Japan
May 1998	Appointed as Recruiting Manager
Dec. 2010	Became independent as an organisation and personnel affairs consultant
Mar. 2017	Joined the Company as Director (present)

Note: Relationship with the Company

- The Company has filed registrations of Mr. Toru Kitagawa, Mr. Daisuke Yanagisawa and Ms. Yasuyo Iga as independent officers with the Tokyo Stock Exchange.
- Each of the members has no special interest with the Company.

Annex 4

Overview of the Allotment of Share Subscription Warrants

1. Total number of Share Subscription Warrants to be allotted

The total number of Share Subscription Warrants to be allotted shall be the number separately specified by the Company's Board with a resolution to allot Share Subscription Warrants without contribution (a "Resolution for Allotment") and this number shall not exceed the latest total number of outstanding shares of the Company's stock (excluding those held by the Company) as of a certain day separately specified by the Board in the Resolution for Allotment ("Allotment Date").

2. Eligible shareholders

Share Subscription Warrants are allotted without contribution to shareholders whose names are recorded in the latest shareholder register as of the Allotment Date at the rate of up to one Share Subscription Warrant per ordinary share of the Company's stock held by the shareholders (excluding shares of the Company's stock held by the Company as of the Allotment Date) that is separately specified by the Board in the Resolution for Allotment.

3. Effective date of the allotment of Share Subscription Warrants without contribution

The effective date shall be the day separately specified by the Board in the Resolution for Allotment.

4. Class and number of shares to be issued in connection with Share Subscription Warrants

The type of shares that are issued in connection with Share Subscription Warrants shall be ordinary shares of the Company's stock and the number of those shares per Share Subscription Warrant (the "Number of Shares per Warrant") shall be the number separately specified by the Board in the Resolution for Allotment whereas the Number of Shares per Warrant shall not exceed one. However, in the event that the Company conducts a share split or share consolidation, the Number of Shares per Warrant will be adjusted as necessary.

5. Type and amount of assets to be contributed upon exercise of the Share Subscription Warrants

The type of assets to be contributed for exercise of Share Subscription Warrants shall be money and the amount of such assets per ordinary share of the Company's stock shall be the amount separately specified by the Board in the Resolution for Allotment whereas this amount shall not be less than 1 yen.

6. Restrictions on the transfer of Share Subscription Warrants

All transfers of Share Subscription Warrants are subject to the approval of the Board.

7. Conditions for exercise of Share Subscription Warrants

The conditions for exercise of Share Subscription Warrants shall be set separately by the Board. These conditions may be set taking into account their effectiveness as countermeasures against the Large-Scale Share Acquisition. More specifically, these conditions include conditions for exercise of warrants which do not permit the Acquirer, its joint holders and parties having a special relationship with it, who are identified as such by the Board following the prescribed procedures, and parties deemed by the Board to be controlled by and in cooperation or coordination with these parties ("Exceptional Parties") to exercise their share subscription warrants.

8. Acquisition of the Share Subscription Warrants by the Company

The Company may set conditions for acquisition as the following ones, taking into account their effectiveness as countermeasures against the Large-Scale Share Acquisition, based on a

resolution adopted by the Board provided that certain conditions occur or a certain date separately specified by the Board has come: conditions for acquisition to the effect that the Company may only acquire all Share Subscription Warrants or those held by the Company's shareholders other than Exceptional Parties, or provisions for acquisition to the effect that the Company will receive other share subscription warrants with certain restrictions on exercise or provisions for acquisition for Share Subscription Warrants held by Exceptional Parties whereas the Company will receive ordinary shares for Share Subscription Warrants held by the other shareholders.

9. Acquisition of Share Subscription Warrants without contribution in the case of suspended implementation of countermeasures, etc.

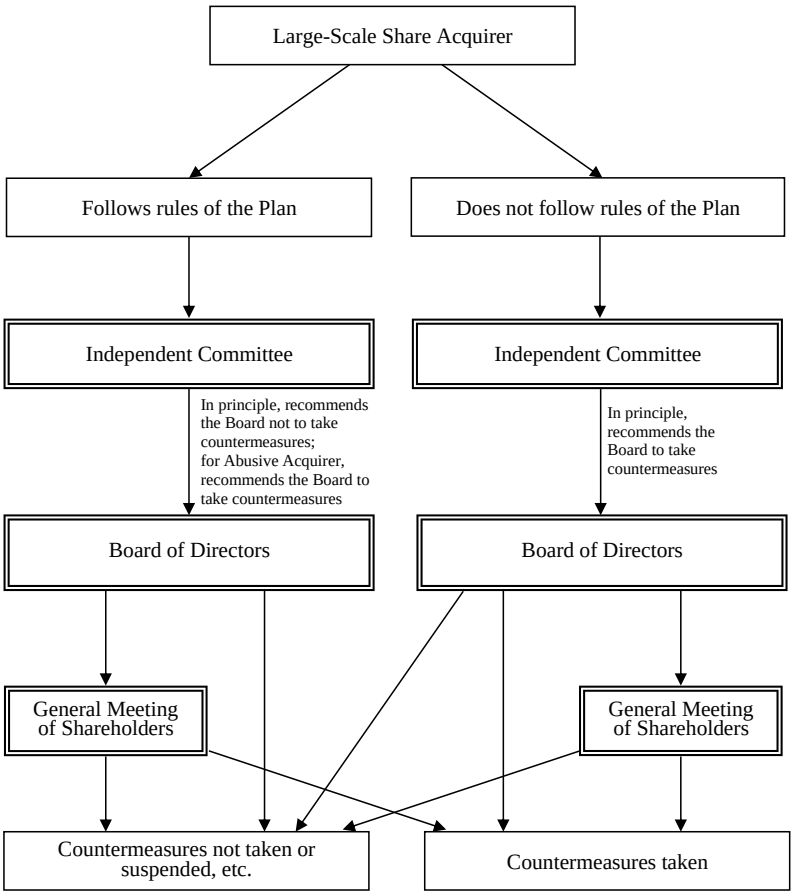
   In the case where the Company's Board of Directors has suspended the implementation of countermeasures or other cases separately specified by the Board in the Resolution for Allotment, the Company may acquire all Share Subscription Warrants without contribution.

10. Exercise period, etc. of the Share Subscription Warrants

    The exercise period of Share Subscription Warrants and other necessary matters shall be separately specified by the Board in the Resolution for Allotment.

(Reference material)

Process Chart for the Plan



* This chart is for illustrative purpose only. For details of the flow of processes of the Plan, please refer to the body of this press release.