

Details of Shareholder Proposal (English Translation)

Item 1: Partial Amendment to Articles of Incorporation (Decision-Making Body for Determination of Surplus Distribution, etc.)

Outline of the Proposal:

To amend Article 44 of its Articles of Incorporation as follows. This proposal shall be resolved prior to the proposal concerning Item 2, "Acquisition of Treasury Stock," and shall take effect upon its approval at the annual general meeting of shareholders.

Current Articles of Incorporation	Proposed Amendment
<p>Article 44 (Decision-Making Body for Determination of Surplus Distribution, etc.)</p> <p>Company may matters related to the distribution of surplus funds as stipulated in each item of Article 459, Paragraph 1 of the Companies Act, <u>without requiring resolution at the annual general meeting of shareholders</u>, except where otherwise provided by law, through resolution of the Board of Directors.</p>	<p>Article 44 (Decision-Making Body for Determination of Surplus Distribution, etc.)</p> <p>Company may determin matters related to the distribution of surplus funds as stipulated in each item of Article 459, Paragraph 1 of the Companies Act <u>through resolution of the Board of Directors</u>, except where otherwise provided by law.</p>

Item 2: Shares Buy-Back

Outline of the Proposal:

Contingent upon the approval and resolution of the proposal concerning Item 1, "Partial Amendment to Articles of Incorporation (Decision-Making Body for Determination of Surplus Distribution, etc.)," the following acquisition of treasury stock is proposed:

In accordance with the provisions of Article 156, Paragraph 1 of the Companies Act, within one year from the conclusion of this annual general meeting of shareholders, the company shall acquire up to 1.3 million shares of its common stock, with a total value of 4.8 billion yen (provided, however, that if the total amount of permissible acquisition price (the "distributable amount" as defined in Article 461 of the Companies Act) permitted by the Companies Act is lower than this amount, the upper limit of the acquisition amount permitted by the Companies Act shall apply), through payment of cash.

Reasons for the Proposal

Item 1: Partial Amendment to Articles of Incorporation (Decision-Making Body for Determination of Surplus Distribution, etc.)

Article 459, Paragraph 1 of the Companies Act stipulates matters concerning the distribution of surplus funds that should generally be resolved at the annual general meeting of shareholders. However, company, through Article 44 of the Articles of Incorporation, has solely designated the authority of the Board of Directors to determine these matters, effectively excluding the authority of the annual general meeting of shareholders, which inherently possesses such authority.

We reaffirm that the shareholders are the owners of the company, and we believe that matters designated by the Companies Act as "to be resolved at the annual general meeting of shareholders as a principle" should indeed be resolved at the general meeting of shareholders.

It should be noted that even in the proposed amendment, it still remains possible for the Board of Directors to decide on the distribution of surplus funds to be approved at the annual general meeting of shareholders, and company's Board of Directors has the

institutional assurance to dynamically execute the distribution of surplus funds. Therefore, the current Articles of Incorporation aim to exclude the authority of the annual general meeting of shareholders when compared to the proposed amendment. Given that there is no rational justification for such exclusion of the authority of the annual general meeting of shareholders, we propose this agenda item for discussion.

Item 2: Shares Buy-Back

As of December 31, 2023 (as stated in the Third Quarter Report for Annual Period #53), company holds approximately 8.7 billion yen worth of investment securities, representing 61.5% of its net assets, with the majority consisting of highly liquid publicly traded securities for cross-shareholding purposes. It has been announced that company intends to reduce the proportion of such cross-held securities to less than 20% of net assets within the next 1-2 years. In order to ensure the swift implementation of such plan and to control both profits and net assets, thereby to steadily improve ROE, we propose share buy back of 4.8 billion yen, which is equivalent to the "Valuation difference on available-for-sale securities" on its December 2023 Balance Sheet net equity section, which represents the after-tax unrealized gains on such investment securities.

Furthermore, it is advisable to cancel more than half of the acquired treasury stock to eliminate concerns about future offering into the market. Considering that the legal retained earnings already exceeds 7 billion yen, it is extremely unlikely to harm financial soundness of the company. This capital allocation policy could potentially bring higher share price and company may utilize such higher share price as currency for future M&As using its remaining treasury shares.

(note) In the unlikely event of any inconsistency between the English language version and the Japanese language version of this document, the meaning of the Japanese language version shall prevail unless otherwise expressly indicated.