

Agenda: Appropriation of surplus

Details of Shareholder Proposal

Appropriation of surplus of the company shall be as follows:

If the company's board of directors proposes an appropriation of surplus at the Ordinary General Meeting of Shareholders, this proposal shall be independent of and in addition to the said board proposal.

(1) Type of dividend property

Cash

(2) The dividend amount per ordinary share

106 yen, less the amount of interim dividends per common stock of 20 yen for the fiscal year-end March 2024 period and the dividends per share of common stock proposed by the board of directors for its ordinary shares at this Ordinary General Meeting of Shareholders, if any.

(3) Allocation of dividend property and total amount thereof

The amount of dividend per share of common stock of the Company shall be the amount of dividend per share as described in (2) above. The total amount of dividends shall be calculated by multiplying the dividend per share by the total number of common shares outstanding (excluding treasury stock) as of March 31, 2024.

(4) Effective date of distribution of dividends of surplus

The day of the Ordinary General Meeting of Shareholders of the Company

Reasons for the Proposal

Hibiki Path Advisors, as the investment manager of the proposing shareholder, sent Kinden a letter for corporate value enhancement on October 4, 2023, and it is publicly available. The detailed rationale for this proposal is found on pages 6-12 of the attached letter ([Kinden-Eng-Final-for-HP.pdf \(hibiki-path-advisors.com\)](#)), where we highly value its company's social value and business growth efforts but believe that "intended reduction of net assets" is essential for fundamental improvement of its ROE.

Therefore, based on the concept of setting a total shareholder return ratio of 150% and paying out 75% of that amount as dividends, our proposal is seeking a dividend of 106 yen, which is 75% of the average earnings per share of 141.8 yen for the past three years. If the proposed agenda is approved, we would also request the continuation of an annual fixed dividend of 106 yen for 10 years to achieve sustained ROE improvement.