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Securities Code 8111

June 10, 2024

Start date of measures for electronic provision: June 3, 2024

To Our Shareholders

Takao Watanabe, President Representative Director  
**Goldwin Inc.**  
210 Kiyosawa, Oyabe City, Toyama Prefecture

## Notice of the 73rd Annual General Meeting of Shareholders

Notice is hereby given that the 73rd Annual General Meeting of Shareholders of the Company will be held as follows. In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company's website:

<https://about.goldwin.co.jp/ir/meeting> (in Japanese)

Website for posted informational materials for the General Meeting of Shareholders:

<https://d.sokai.jp/8111/teiji/> (in Japanese)

TSE website (Listed Company Search):

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

(Access the TSE website by using the Internet address shown above, enter "Goldwin" in "Issue name (company name)" or the Company's securities code "8111" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting].")

In lieu of attending the meeting in person, you may exercise your voting rights in writing (via postal mail) or via the Internet, etc. Please review the Reference Document for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. (JST) on Tuesday, June 25, 2024.

When exercising your voting rights via the Internet, etc., please refer to the "Information About Exercising Your Voting Rights" on page 3.

**1. Date and time** Wednesday, June 26, 2024 at 10:00 a.m. (JST)

**2. Venue** 5th floor hall of the Company's Head Office  
210 Kiyosawa, Oyabe City, Toyama Prefecture

### 3. Purpose

#### Matters to be reported

- (1) Business Report and Consolidated Financial Statements, and the Audit Results of the Financial Auditor and the Board of Auditors on the Consolidated Financial Statements for the 73rd fiscal year (from April 1, 2023 to March 31, 2024)
- (2) Report on the Non-consolidated Financial Statements for the 73rd fiscal year (from April 1, 2023 to March 31, 2024)

#### Matters to be resolved

- |                   |   |
|-------------------|---|
| <b>Proposal 1</b> | Partial Amendment to the Articles of Incorporation            |
| <b>Proposal 2</b> | Election of Twelve Directors                                  |
| <b>Proposal 3</b> | Revision of the Amount of Remuneration for External Directors |

**Proposal 4** Approval of Continuation of Measures Using Stock Acquisition Rights to Ensure and Enhance the Company's Corporate Value and, in turn, the Common Interests of Shareholders

**4. Matters decided in connection with this convocation**

- (1) Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 15, paragraph (2) of the Articles of Incorporation of the Company, the following matters are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents.

Accordingly, the documents that are delivered to shareholders who have made a request for delivery of paper-based documents are part of the documents included in the scope of audits by the Auditor and the Financial Auditor when they create their respective audit reports.

- 1) Notes to Consolidated Financial Statements
- 2) Notes to Non-consolidated Financial Statements

- (2) Please note that your online vote will prevail should you exercise your voting rights both via the Internet, etc. and by voting form. If you exercise your voting rights more than once via the Internet, etc., only the last vote shall be deemed effective.
- (3) When exercising your voting rights in writing (via postal mail), if no indication of approval or disapproval is made for the proposals on the voting form, it will be considered as an indication of approval.
- (4) If you exercise your voting rights by proxy, one other shareholder with voting rights may attend the meeting as your representative. However, please note that he/she will be required to submit a document proving his/her right of representation.

- If you plan to attend the meeting, please submit the voting form to the receptionist at the meeting.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the respective aforementioned websites.
- In accordance with the enforcement of the electronic provision system of materials for the General Meeting of Shareholders due to the revision of the Companies Act, informational materials for the General Meeting of Shareholders have, in principle, been made available to shareholders on the website, in a change from paper media.

As part of our SDGs initiatives, the Company is promoting electronic provision (view on website) as a way to conserve paper resources and reduce CO2 emissions, and shareholders who have not requested the delivery of paper-based documents will receive only this Notice (the convocation notice with guidance to documents posted online).

## Information About Exercising Your Voting Rights

Exercise of voting rights at the Company's General Meeting of Shareholders is shareholders' important right. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders. There are three methods to exercise your voting rights as indicated below.

### How to exercise your voting rights via attending the General Meeting of Shareholders:

When attending the meeting in person, please hand in the voting form at the reception desk at the meeting venue.

Date and time of the Annual General Meeting of Shareholders:

Wednesday, June 26, 2024 at 10:00 a.m. (JST)

### How to exercise your voting rights in writing (via postal mail):

Please indicate, on the voting form, your approval or disapproval of each proposal and return the completed form.

Deadline for exercise of voting rights via the Internet, etc.

The Company must receive the completed voting form by Tuesday, June 25, 2024, at 5:30 p.m. (JST).

### How to exercise your voting rights via the Internet, etc.:

Please indicate whether you approve or disapprove of each proposal following the instructions on the next page.

Deadline for exercise of voting rights via the Internet, etc.

All data entry to be completed no later than 5:30 p.m., Tuesday, June 25, 2024. (JST).

## How to Fill Out Your Voting Form

Please indicate whether you approve or disapprove of proposals.

### Proposals 1, 3 and 4

To mark your approval

→ Circle the box marked 賛 "Approve."

To mark your disapproval

→ Circle the box marked 否 "Disapprove."

### Proposal 2

To mark your approval for all candidates

→ Circle the box marked 賛 "Approve."

To mark your disapproval for all candidates

→ Circle the box marked 否 "Disapprove."

To mark your disapproval for certain candidates

→ Circle the box marked 賛 "Approve" and write the number of the candidate(s) you wish to disapprove.

## Exercise of Voting Rights via the Internet, etc.

### **Method 1: Scanning the QR Code “Smart Vote”**

You can simply log in to the website for exercising voting rights without entering your voting code and password.

- 1 Please scan the QR Code located on the bottom right of the voting form.  
\* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
- 2 Please follow the directions that appear on the screen to input approval or disapproval to each proposal.

Note that your voting rights can be exercised only once by using the “Smart Vote” method.

If you need to make a correction to the content of your vote after you have exercised your voting rights, please access the website for personal computer and log in by entering your voting code and password printed on the voting form, and exercise your voting rights again.

\* You can access the website for personal computer by scanning the QR Code again.

### **Method 2: Entering the voting code and password**

The website for the exercise of voting rights: <https://soukai.mizuho-tb.co.jp/> (in Japanese)

- 1 Please access the website for exercise of voting rights.  
Click “Proceed to the next”
- 2 Please enter the voting code given on the voting form.  
Enter the voting code  
Click “Next”
- 3 Please enter the password given on the voting form.  
Enter the initial password  
Enter the new password that you will actually use  
Click “Register”
- 4 Please follow the directions that appear on the screen to input approval or disapproval to each proposal.

In case you need instructions for how to operate your personal computer, smartphone or mobile phone in order to exercise your voting rights via the Internet, please contact:

Internet Help Dial, Stock Transfer Agency, Mizuho Trust & Banking Co., Ltd.  
0120-768-524  
(9:00 a.m. to 9:00 p.m. on weekdays) (JST)

Institutional investors may use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

## Reference Documents for the General Meeting of Shareholders

### Proposal 1            Partial Amendment to the Articles of Incorporation

#### 1. Reasons for the proposal

- (1) With the aim of expanding recognition and presence of GOLDWIN INC., our trade name, as a corporate brand in Japan and overseas, and expanding recognition and presence of Goldwin, our trademark and core brand, both in Japan and overseas, the Company will change the English spelling of its name, as stipulated in Article 1 (Trade Name) of the Company’s Articles of Incorporation, to Goldwin Inc. in order to integrate corporate identity (CI) and brand identity (BI), ensure consistent communication, unify the Company’s image, and accelerate global operations.
- (2) The Company revised upwards its medium-term management plan announced at the beginning of the 71st fiscal year, as it exceeded the numerical targets for the final year of the plan in the 72nd fiscal year, the second fiscal year of the plan. Additionally, we have set the PLAY EARTH 2030 long-term vision, and to adapt to environmental changes, we are promoting manufacturing and development of a management foundation more than ever before, fulfilling our responsibility to the future, and evolving into a company that is essential to society.

In consideration of changes in the business environment and expansion of operations, the Company will formulate and determine management strategies from a medium- to long-term perspective, supervise the appropriate execution of these strategies, and recruit talented and diverse human resources with both management and professional skills to join the Company’s management team. To achieve this, the Company proposes to change the maximum number of Directors as stipulated in Article 18 (Number of Directors) in the Articles of Incorporation from ten to twelve.

#### 2. The details of the amendments

The details of the amendments are as follows.

(Underlines indicate amendments.)

Current Articles of Incorporation	Proposed amendments
Chapter I General rules	Chapter I General rules
Article 1 (Trade Name) The name of the Company shall be “Kabushiki Kaisha Goldwin” and the English name shall be “ <u>GOLDWIN INC.</u> ”	Article 1 (Trade Name) The name of the Company shall be “Kabushiki Kaisha Goldwin” and the English name shall be “ <u>Goldwin Inc.</u> ”
Chapter IV Directors and Board of Directors	Chapter IV Directors and Board of Directors
Article 18 (Number of Directors) The number of Directors of the Company shall not exceed <u>ten</u> <u>(10)</u> .	Article 18 (Number of Directors) The number of Directors of the Company shall not exceed <u>twelve</u> <u>(12)</u> .

**Proposal 2** Election of Twelve Directors

The terms of office of all ten Directors will expire at the conclusion of this meeting. In that regard, the Company proposes the election of twelve Directors, increasing the number of Directors by two to further enhance the management system, subject to the approval of Proposal 1, “Partial Amendment to the Articles of Incorporation.” The candidates for Director are as follows.

Candidate No.	Name	Position and responsibility, etc. in the Company	
1	Akio Nishida	Chairman Representative Director	<u>Reelection</u>
2	Takao Watanabe	President Representative Director	<u>Reelection</u>
3	Yoshiteru Nishida	Senior Corporate Adviser	<u>Reelection</u>
4	Eiichiro Homma	Executive Vice President	<u>Reelection</u>
5	Michio Shirasaki	Chief Financial Officer	<u>Reelection</u>
6	Hikari Mori	Chief Operating Officer	<u>Reelection</u>
7	Takero Kaneda	Chief Strategy Officer	<u>New election</u>
8	Rie Akiyama	External Director	<u>Reelection</u> <u>External</u> <u>Independent</u>
9	Ichiro Yoshimoto	External Director	<u>Reelection</u> <u>External</u> <u>Independent</u>
10	Dai Tamesue	External Director	<u>Reelection</u> <u>External</u> <u>Independent</u>
11	Akira Tsuchiya		<u>New election</u> <u>External</u> <u>Independent</u>
12	Naoko Imoto		<u>New election</u> <u>External</u> <u>Independent</u>

Reelection Candidate for reelection as Director

New election Candidate for new election as Director

External Candidate for external Director

Independent Independent Officer as stipulated by the stock exchange

## (Reference)

## Expertise and experience of the candidate for Director

Candidate No.	Director	Corporate management	Finance and accounting	Personnel and human resources development	Governance and legal affairs	Research and development	Manufacturing technology	Sales	Marketing	Global experience	Society and environment	IT	Sports literacy
1	Akio Nishida (Chairman Representative Director)	○		○	○				○	○	○		○
2	Takao Watanabe (President Representative Director)	○			○	○		○	○	○	○		○
3	Yoshiteru Nishida (Senior Corporate Adviser)	○	○				○			○			○
4	Eiichiro Homma (Executive Vice President)	○	○		○			○	○	○			○
5	Michio Shirasaki (Chief Financial Officer)	○	○	○	○					○			○
6	Hikari Mori (Chief Operating Officer)	○				○		○	○	○	○		○
7	Takero Kaneda (Chief Strategy Officer)	○	○		○				○	○		○	○
8	Rie Akiyama (External Director)				○					○			○
9	Ichiro Yoshimoto (External Director)	○		○				○		○			○
10	Dai Tamesue (External Director)	○		○		○				○	○		○
11	Akira Tsuchiya	○			○					○		○	○
12	Naoko Imoto					○				○	○		○

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	Akio Nishida (November 6, 1953)  Reelection  Attendance at Board of Directors meetings 17/17 (100%)	Oct. 1977 June 1989 June 1992 June 1994 May 1999 June 2000 Apr. 2020	Joined the Company Director Managing Director Senior Managing Director Managing Director President and Representative Director Chairman Representative Director (current position)	153,250
	<p>Reasons for nomination as candidate for Director</p> <p>Akio Nishida served as President and Representative Director of the Company from 2000 to March 2020, and has a wealth of experience, achievements, and insight as a manager. We believe that he is qualified to promote the Company's group management and strengthen corporate governance, and we request his continued election as a Director.</p>			
2	Takao Watanabe (March 22, 1960)  Reelection  Attendance at Board of Directors meetings 17/17 (100%)	Apr. 1982 June 2005 June 2006 June 2007 Apr. 2010 Apr. 2012 Apr. 2015 Apr. 2017 Apr. 2018 Apr. 2020	Joined the Company Director and Corporate Officer, Manager of THE NORTH FACE Department Director, General Manager of Outdoor Style Division, Manager of THE NORTH FACE Department Director and Corporate Officer, General Manager of Outdoor Style Division, Manager of THE NORTH FACE Department Director and Managing Officer, Deputy General Manager of Business Administration Division, General Manager of Outdoor Style Division, General Manager of Helly Hansen Division, and General Manager of Direct Marketing Promotion Department Director and Senior Managing Officer, General Manager of Business Administration Division, General Manager of Outdoor Style Division Director and Senior Managing Officer, General Manager of Business Administration Division Director and Executive Vice President, General Manager of Business Administration Division Director and Executive Vice President, General Manager of Business Administration Division, General Manager of Business Division President Representative Director (current position)	44,794
	<p>Reasons for nomination as candidate for Director</p> <p>Takao Watanabe has abundant experience and insight in the business and marketing divisions, and as a Director overseeing all aspects of the business, he has appropriately carried out important business operations and management decision-making and supervision. We believe that he is capable of realizing our management philosophy and executing our business strategies, and therefore we request his continued election as a Director.</p>			



Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p data-bbox="347 539 528 600">Yoshiteru Nishida (January 4, 1956)</p> <p data-bbox="384 636 491 665">Reelection</p> <p data-bbox="323 701 555 792">Attendance at Board of Directors meetings 17/17 (100%)</p>	<p data-bbox="612 264 715 293">Apr. 1978</p> <p data-bbox="612 300 715 329">Apr. 2003</p> <p data-bbox="612 365 715 394">June 2004</p> <p data-bbox="612 430 715 459">June 2010</p> <p data-bbox="612 495 715 524">Apr. 2012</p> <p data-bbox="612 560 715 589">Apr. 2013</p> <p data-bbox="612 692 715 721">Apr. 2017</p> <p data-bbox="612 786 715 815">Apr. 2020</p> <p data-bbox="612 880 715 909">Apr. 2022</p> <p data-bbox="612 1046 715 1075">Apr. 2023</p> <p data-bbox="772 264 1230 1037">           Joined the Company            Manager of Procurement Management Department            Corporate Officer, Manager of Procurement Management Department            Director and Corporate Officer, Manager of Procurement Management Department            Director and Managing Officer, responsible for procurement in General Planning Division            Director and Managing Officer, responsible for affiliated companies in the Toyama area and responsible for suppliers in General Planning Division            Director and Senior Managing Officer, responsible for affiliated companies in the Toyama area and responsible for suppliers            Director and Senior Managing Officer, responsible for merchandise, procurement and affiliated companies in the Toyama area            Director and Senior Managing Officer, responsible for merchandise, procurement and affiliated companies in the Toyama area and Toyama area representative of PLAY EARTH project            Senior Corporate Adviser (current position)         </p>	342,122
<p data-bbox="276 1077 756 1106">Reasons for nomination as candidate for Director</p> <p data-bbox="276 1113 1414 1263">Yoshiteru Nishida has abundant experience and insight in the procurement division and China business, and as a Director overseeing procurement in general and suppliers in particular, he has appropriately carried out important business operations and management decision-making and supervision. We believe that he is capable of realizing our management philosophy and executing our business strategies, and therefore we request his continued election as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p data-bbox="352 602 523 663">Eiichiro Homma (March 19, 1960)</p> <p data-bbox="384 696 491 723">Reelection</p> <p data-bbox="323 763 552 853">Attendance at Board of Directors meetings 17/17 (100%)</p>	<p data-bbox="612 264 715 288">Apr. 1982</p> <p data-bbox="612 300 715 324">Apr. 2003</p> <p data-bbox="612 365 715 389">Apr. 2006</p> <p data-bbox="612 400 715 425">Apr. 2007</p> <p data-bbox="612 465 715 490">Apr. 2010</p> <p data-bbox="612 530 715 555">June 2012</p> <p data-bbox="612 629 715 654">Apr. 2014</p> <p data-bbox="612 790 715 815">Apr. 2017</p> <p data-bbox="612 889 715 913">Apr. 2020</p> <p data-bbox="612 1016 715 1041">Apr. 2021</p> <p data-bbox="612 1081 715 1106">Apr. 2023</p> <p data-bbox="612 1133 1145 1189">Significant concurrent positions outside the Company President and Representative Director of nanamica inc.</p>	34,510
<p data-bbox="276 1196 756 1223">Reasons for nomination as candidate for Director</p> <p data-bbox="276 1234 1393 1350">Eiichiro Homma has abundant experience and insight in the business and marketing divisions, and as a Director overseeing the brand strategy and corporate planning divisions, he has appropriately carried out important business operations and management decision-making and supervision. We believe that he is capable of formulating and promoting the Group's growth strategy, and therefore we request his continued election as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	<p>Michio Shirasaki (May 14, 1961)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 17/17 (100%)</p>	<p>June 2019 Corporate Officer, General Manager of Corporate Planning and Strategy Division, General Planning Administration Division, Manager of Corporate Strategy and Planning Office</p> <p>Apr. 2020 Corporate Officer, General Manager of Corporate Planning and Strategy Division, Manager of Corporate Planning and Strategy Office</p> <p>Apr. 2021 Managing Officer, General Manager of Corporate Planning and Strategy Division</p> <p>Apr. 2022 Managing Officer, General Manager of Management Division</p> <p>June 2022 Director and Managing Officer, General Manager of Management Division</p> <p>Apr. 2023 Chief Financial Officer (current position)</p>	2,587
<p>Reasons for nomination as candidate for Director</p> <p>Michio Shirasaki has abundant experience and insight in the corporate planning and administrative divisions, and as a Director overseeing the administrative division, he has appropriately carried out important business operations and management decision-making and supervision.</p> <p>We request his continued election as a Director because we believe that he will be able to realize our management philosophy, promote Group management, and carry out more efficient operations of each company.</p>			
6	<p>Hikari Mori (June 14, 1963)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 17/17 (100%)</p>	<p>Jan. 2015 Manager in charge of THE NORTH FACE Department</p> <p>Apr. 2015 Manager of THE NORTH FACE Department</p> <p>Apr. 2016 Corporate Officer, Manager of THE NORTH FACE Department</p> <p>Apr. 2017 Corporate Officer, Manager of THE NORTH FACE Department, Business Administration Division</p> <p>Apr. 2018 Corporate Officer, Deputy General Manager of Business Division, Business Administration Division, Manager of THE NORTH FACE Department</p> <p>Apr. 2019 Managing Officer, Deputy General Manager of Business Division</p> <p>Apr. 2020 Managing Officer, General Manager of Business Division I</p> <p>Apr. 2021 Managing Officer, General Manager of Business Division</p> <p>June 2022 Director and Managing Officer, General Manager of Business Division</p> <p>Apr. 2023 Director and Senior Managing Officer, General Manager of Business Division</p> <p>Apr. 2024 Chief Operating Officer (current position)</p>	7,087
<p>Reasons for nomination as candidate for Director</p> <p>Hikari Mori has abundant experience and insight in the business and marketing divisions, and as a Director overseeing the business division, he has appropriately carried out important business operations and management decision-making and supervision.</p> <p>We believe that he is capable of realizing our management philosophy and executing our business strategies, and therefore we request his continued election as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Takero Kaneda (July 7, 1963)  New election	<p>July 2020 Deputy General Manager of Global Business Division</p> <p>Apr. 2021 Administration Officer, Deputy General Manager of Corporate Planning and Strategy Division, Manager of Corporate Planning and Strategy Office</p> <p>Apr. 2022 Corporate Officer, General Manager of Corporate Planning and Strategy Division, Manager of Corporate Planning and Strategy Office</p> <p>Apr. 2023 Managing Officer, General Manager of Corporate Planning and Strategy Division</p> <p>Apr. 2024 Chief Strategy Officer (current position)</p> <p>Significant concurrent positions outside the Company Representative Director of Goldwin Venture Partners Inc.</p>	988
<p>Reasons for nomination as candidate for external Director and expected role Takero Kaneda has abundant experience and insight in the corporate planning department and has appropriately executed important operations as an executive officer executing overall corporate planning. We request his election as a Director because we believe that he will be able to realize our management philosophy and he is capable of formulating and promoting Group management and growth strategies.</p>			
8	Rie Akiyama (March 17, 1970)  Reelection External Independent  Years in office 5 years  Attendance at Board of Directors meetings 17/17 (100%)	<p>Apr. 1999 Registered as attorney-at-law (Tokyo Bar Association)</p> <p>Apr. 1999 Member of Baba Law Office (now Baba &amp; Sawada)</p> <p>June 2019 External Director of the Company (current position)</p> <p>June 2023 Outside Director and Audit &amp; Supervisory Committee Member of Astellas Pharma Inc. (current position)</p>	—
<p>Reasons for nomination as candidate for external Director and expected role Although Rie Akiyama has not been directly involved in the management of a company, she has appropriately made decisions and supervised management based on her extensive experience and professional perspective as an attorney with expertise in the field of corporate legal affairs. We believe that she will continue to provide appropriate supervision and advice to the Board of Directors, and therefore we request her election as an external Director.</p> <p>Independence There is no conflict of interest between her and the Company other than remuneration for her services as a Director, so there is no risk of conflict of interest with general shareholders. Therefore, she satisfies the Criteria for Independence of Independent External Officers stipulated by the Company, and her independence is recognized. The Company has registered her as an independent officer with the Tokyo Stock Exchange. If her reelection is approved, the Company plans to continue this notification.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
9	Ichiro Yoshimoto (May 29, 1953)	Apr. 1978	Joined Nippon Telegraph and Telephone Public Corporation (now NTT)	-
	Reelection External Independent	Dec. 1998	Representative Director and COO of Starbucks Coffee Japan, Ltd.	
		May 2005	Senior Executive Officer and CAO of McDonald's Company (Japan), Ltd.	
9	Years in office 3 years	Oct. 2014	Representative Director, President, and Executive Officer of CMIC Co., Ltd.	-
		Aug. 2018	Representative Director of University of Tokyo Warriors Club	
		Apr. 2021	External Director of nobitel inc. (current position)	
		June 2021	External Director of the Company (current position)	
Reasons for nomination as candidate for external Director and expected role Ichiro Yoshimoto has a wide range of experience and achievements in corporate management, human resources development, sales and marketing, and global experience, and he has appropriately made decisions and supervised management based on his extensive experience and professional perspective as the Company aims to strengthen its overseas business. We believe that he will continue to provide appropriate supervision and advice to the Board of Directors, and therefore we request his election as an external Director.				
Independence There is no conflict of interest between him and the Company other than remuneration for his services as a Director, so there is no risk of conflict of interest with general shareholders. Therefore, he satisfies the Criteria for Independence of Independent External Officers stipulated by the Company, and his independence is recognized. The Company has registered him as an independent officer with the Tokyo Stock Exchange. If his reelection is approved, the Company plans to continue this notification.				
10	Dai Tamesue (May 3, 1978)	Aug. 2010	President of Athlete Society (current position)	-
	Reelection External Independent	Oct. 2015	Outside director of COLOPL, Inc.	
		July 2018	Representative Director of Deportare Partners Co., Ltd. (current position)	
10	Years in office 2 years	June 2022	External Director of the Company (current position)	-
		Sep. 2022	Auditor of Japan Women's Empowerment Professional Football League (current position)	
		Committee membership, etc.		
		Since 2020	Ambassador of Laureus Sports for Good	
10	Attendance at Board of Directors meetings 17/17 (100%)	Since 2021	Goodwill Ambassador of UNITAR	-
		Reasons for nomination as candidate for external Director and expected role Dai Tamesue has abundant experience and professional insight gained over many years as an athlete, and has a proven track record in corporate management and sports promotion, and he has appropriately made decisions and supervised management based on his extensive experience and professional perspective. We believe that he will continue to provide appropriate supervision and advice to the Board of Directors, and therefore we request his election as an external Director.		
Independence There is no conflict of interest between him and the Company other than remuneration for his services as a Director, so there is no risk of conflict of interest with general shareholders. Therefore, he satisfies the Criteria for Independence of Independent External Officers stipulated by the Company, and his independence is recognized. The Company has registered him as an independent officer with the Tokyo Stock Exchange. If his reelection is approved, the Company plans to continue this notification.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
11	Akira Tsuchiya (August 18, 1962)	Apr. 1983      Joined INFORMATION DEVELOPMENT CO., LTD.  June 2019      Executive Corporate Officer of ID Holdings Corporation (current position)	—
	New election External Independent		
	<p>Reasons for nomination as candidate for external Director and expected role Akira Tsuchiya has long been involved in system development, designing core systems and launching security and infrastructure businesses. We believe that he will be an appropriate driving force in promoting DX and strengthening IT, including analyzing and evaluating business strategies and management information, and therefore we request his election as an external Director.</p> <p>Independence There is no conflict of interest between him and the Company other than remuneration for his services as a Director, so there is no risk of conflict of interest with general shareholders. Therefore, he satisfies the Criteria for Independence of Independent External Officers stipulated by the Company, and his independence is recognized. If his election is approved, the Company plans to submit notification to Tokyo Stock Exchange concerning his designation as an independent officer as provided for by the aforementioned exchange.</p>		
12	Naoko Imoto (May 20, 1976)	Sep. 2004      Planning and Research Member of Japan International Cooperation Agency (Peacebuilding)  Sep. 2007      Chief of Education, Educational Officer, UNICEF  July 2021      Representative of Board of Directors of SDGs in Sports (current position)  Committee membership, etc. Council Member of Nippon Badminton Association	—
	New election External Independent		
	<p>Reasons for nomination as candidate for external Director and expected role Although Naoko Imoto has not been directly involved in the management of a company, she has abundant experience as an athlete gained over many years as a swimmer, experience working in an international organization for about 20 years, as well as professional insight on SDGs in general, gender equality, and environment and climate change for sports organizations and athletes. We believe she will provide appropriate leadership and advice for the Company's promotion of sustainability, and therefore we request her election as an external Director.</p> <p>Independence There is no conflict of interest between her and the Company other than remuneration for her services as a Director, so there is no risk of conflict of interest with general shareholders. Therefore, she satisfies the Criteria for Independence of Independent External Officers stipulated by the Company, and her independence is recognized. If her election is approved, the Company plans to submit notification to Tokyo Stock Exchange concerning her designation as an independent officer as provided for by the aforementioned exchange.</p>		

- (Notes)
1. There is no special interest between each candidate and the Company.
  2. Rie Akiyama, Ichiro Yoshimoto, Dai Tamesue, Akira Tsuchiya, and Naoko Imoto are candidates for external Director.
  3. The Company has entered into an agreement with Rie Akiyama, Ichiro Yoshimoto, and Dai Tamesue to limit their liability for damages under Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the said Act. If the three candidates are reelected, they will continue to hold such agreements. If Akira Tsuchiya and Naoko Imoto are elected, the Company plans to enter into a similar agreement.
  4. The Company has concluded an officers' liability insurance agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, which insures all Directors. Under such an insurance agreement, the legal damages and dispute expenses to be borne by the insured will be covered, and the Company will bear all premiums for all insured parties. If each candidate is appointed as a Director, each of them will be included in the insured parties of such insurance policy. The Company plans to renew such insurance agreement with similar terms during the term of office.

**Proposal 3**

## Revision of the Amount of Remuneration for External Directors

The amount of remuneration for Directors of the Company was approved at the 72nd Annual General Meeting of Shareholders held on June 28, 2023 as an annual amount not exceeding 600 million yen (of which the amount of remuneration is up to 50 million yen per year for external Directors, not including the portion of employee salaries of Directors concurrently serving as employees), and has been in effect to this day.

In addition to the increase of one external Director in line with strengthening the governance system, and with an eye to setting compensation at appropriate levels to secure diverse and talented human resources in an environment where the role of external Directors is increasingly expected, we propose to adjust the amount not exceeding 80 million yen per year, taking into consideration the financial situation of our Company and the external environment. The remuneration of Directors will remain unchanged at the current amount not to exceed 600 million yen per year.

Also, we would like the amount of remuneration for Directors not to include employee salaries of Directors concurrently serving as employees, as in the past.

It has been determined that this proposal is in line with the policy for determining remuneration, etc. for individual Directors, and is appropriate considering the scale of the Company's business and the increase in the number and roles of external Directors in order to strengthen the governance system. In order to ensure the appropriateness of remuneration for Directors and the independence, objectivity, and transparency of the decision-making process, this proposal has been deliberated by the Nomination/Compensation Committee, the majority of whose members are external Directors, and confirmed to be fair and reasonable.

Currently, there are ten Directors (including four external Directors), but if Proposal 2, "Election of Twelve Directors," is approved and passed as originally proposed, the number of Directors will increase by two (including one external Director) to twelve Directors (including five external Directors).

**Proposal 4** Approval of Continuation of Measures Using Stock Acquisition Rights to Ensure and Enhance the Company's Corporate Value and, in turn, the Common Interests of Shareholders

At the 70th Annual General Meeting of Shareholders held on June 24, 2021, the Company obtained approval to introduce measures utilizing the gratis allotment of stock acquisition rights as proper measures against the acquisition of share certificates, etc., constituting 20% or more of the Company's share certificates, etc., held (below, the "Current Plan"), as part of its efforts to ensure and enhance its corporate value and, in turn, the common interests of its shareholders. The Current Plan will expire at the conclusion of the Board of Directors meeting following the 73rd Annual General Meeting of Shareholders to be held on June 26, 2024 (below, "this Annual General Meeting of Shareholders").

It is hereby proposed that the Company be authorized to continue implementing measures utilizing the gratis allotment of stock acquisition rights (below, the "Plan"), pursuant to the provisions of Article 6 of the Articles of Incorporation.

If this proposal is approved, the Plan (see [Attachments] starting on page 22 of this notice), as described in Appendix 2 of the "Notice of Continuation of Measures Using Stock Acquisition Rights to Ensure and Enhance the Company's Corporate Value and, in turn, the Common Interests of Shareholders" announced on May 23, 2024, will be introduced upon approval at the Board of Directors meeting to be held after this Annual General Meeting of Shareholders.

The Current Plan specifies procedures and other approaches to assure sufficient information disclosure in advance and a reasonable timeframe for examination, negotiation, and other processes in conducting a large-scale purchase for the purpose of executing a large-scale purchase that ensures and enhances the corporate value and, in turn, the common interests of shareholders.

The major changes to the Current Plan for continued implementation of the Plan are as follows:

- Change 1 The Company will review large-scale purchases and other relevant actions subject to the Plan.
- Change 2 The Company will revise the content of initiatives that contribute to the achievement of the basic policy to include more specific efforts aimed at enhancing corporate value, various corporate governance measures, and other considerations, taking into account the progress of the medium-term management plan. (\* Refer to "B. Efforts to contribute to the realization of the basic policy" on page 23.)
- Change 3 Additionally, wording and expressions will be adjusted as necessary to reflect amendments to laws, regulations, and rules of the Financial Instruments Exchanges, as well as trends in takeover response policies.

1. Purpose of the Plan

The Plan is intended to present in advance the procedures to be followed by a party intending to conduct a large-scale purchase of the Company's share certificates, etc., in conducting a large-scale purchase or making its proposal, while also providing shareholders with the necessary and sufficient information, time, and duration to decide whether or not to accept the Takeover Proposal by said party. Concurrently, its objective is to prevent a takeover detrimental to the common interests of shareholders of the Company and to ensure and enhance these interests by securing opportunities to negotiate with the party intending to conduct a large-scale purchase of the Company's share certificates, etc., examining the Takeover Proposal, and engaging in discussions with the party. The term "large-scale purchase," as used herein, shall refer to any act falling under i) through iii) indicated below.

- i) To publicly announce the commencement of a tender offer for the Company's share certificates, etc., (as defined in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act), where the ratio of share certificates, etc., owned after the purchase (calculated in accordance with the provision of Article 27-2, paragraph (8) of the Financial Instruments and Exchange Act; however, the ratio of share certificates, etc., owned by a specially related party (as defined in Article 27-2, paragraph (7) of the Financial Instruments and Exchange Act; hereinafter the same) shall be factored in; hereinafter the same) will be 20% or more;
- ii) To acquire (including the possession of the right to request delivery of share certificates, etc., under a purchase and sale or other contract, and the execution of each transaction specified in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act, as well as any other acts designated as equivalent by the Board of Directors) the Company's share certificates, etc., (as defined in Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act; hereinafter the same), resulting in the ratio of share certificates, etc., held (calculated in accordance with Article 27-23, paragraph (4) of the Financial



Instruments and Exchange Act; however, the ratio of share certificates, etc., held by a joint holder (as defined in Article 27-23, paragraph (5) and (6) of the Financial Instruments and Exchange Act; hereinafter the same) shall be factored in; hereinafter the same) reaching 20% or more; or

iii) Regardless of whether any of the acts set forth in i) or ii) above have occurred, any act between a specific shareholder and another shareholder of the Company (including cases of multiple shareholders; the same applies to iii) below) that leads to an agreement or any other act that would cause the latter shareholder to become a joint holder with the former, or any act (Note 2) between them that establishes a relationship between a specific shareholder and another shareholder where one substantially controls the other or they act jointly or in coordination (Note 1). (However, this only applies in cases where the combined ratio of share certificates, etc., held by the former shareholder and the latter shareholder or the combined ratio of share certificates, etc., owned by the former shareholder and the latter shareholder in relation to those issued by the Company would be 20% or more.)

(Note 1) The determination of the establishment of “a relationship between a specific shareholder and another shareholder where one substantially controls the other or they act jointly or in coordination” shall be based on factors, including the formation of new investment, business tie-up, transactional or contractual relationships, concurrent directorships, funding and credit relationships, and substantial interests in the Company’s shares through derivatives, stock lending, etc., and the direct or indirect influence exerted by the specific shareholder and the other shareholder on the Company.

(Note 2) The Board of Directors of the Company shall determine whether any act prescribed in iii) above has been conducted, in accordance with the recommendation of the Special Committee. To the extent needed to determine the applicability of the requirements stated in iii) above, the Board of Directors of the Company may request that its shareholders provide the requisite information.

The resolution approving this proposal shall remain effective (corresponding to the effective period stipulated in Article 6, paragraph 2 of the Articles of Incorporation; below, the “Effective Period”) until the conclusion of the first meeting of the Board of Directors to be held after the Annual General Meeting of Shareholders for the last fiscal year that falls within three years after the resolution approving this proposal. However, the Effective Period shall be extended to that extent in the presence of a party making a takeover proposal (as defined in Section 5 below) or a party intending to conduct or currently conducting a large-scale purchase, as determined by the Board of Directors, at the conclusion of said Board of Directors meeting. The effectiveness of the resolution approving this proposal shall extend to each resolution by the Board of Directors regarding the gratis allotment of stock acquisition rights, etc., to be made during the Effective Period. In addition, the meanings of terms used in the resolution adhere to the definitions in Article 6 of the Articles of Incorporation and the Plan (see [Attachments] starting on page 22 of this notice), as described in Appendix 2 of the “Notice of Continuation of Measures Using Stock Acquisition Rights to Ensure and Enhance the Company’s Corporate Value and, in turn, the Common Interests of Shareholders,” which was announced on May 23, 2024.

The terms referring to the provisions in the Financial Instruments and Exchange Act (Act No. 25 of April 13, 1948; including subsequent amendments) in the resolution shall be replaced with the corresponding terms in the amended provisions of the Act, if amendments are made to the Act.

## 2. Necessity for Continued Implementation of the Plan

The Board of Directors of the Company decided to continue the Plan for the purpose of clarifying the rules to be adhered to by a party intending to conduct a large-scale purchase of share certificates, etc., of the Company and securing information and time that are necessary and sufficient for shareholders to make an appropriate decision as well as the opportunity to negotiate with the party intending to conduct such a large-scale purchase.

The Plan establishes rules to be adhered to by a party intending to carry out a large-scale purchase of shares, etc. of the Company, clarifies that in certain cases, the party intending to carry out a large-scale purchase may sustain a loss as the Company takes countermeasures, and warns the party intending to carry out a large-scale purchase of shares, etc. of the Company that will not contribute to the Company’s corporate value and eventually the common interest of shareholders by appropriately disclosing such rules and clarifications.

Under the Plan, for the purpose of eliminating arbitrary decisions by the Board of Directors of the Company when implementing countermeasures, the recommendation of the Special Committee, comprising solely individuals independent from executive management of the Company, shall be respected to the maximum extent, and transparency shall be ensured through timely information disclosure to shareholders.

Currently, the company is not under any specific threat of takeover. The most recent status of the Company's major shareholders, etc., is as shown in (1) Status of shares on page 44 of this notice.

### 3. Coverage of the Plan

During the Effective Period, in accordance with the provisions of Article 6 of the Articles of Incorporation, the Company may implement measures utilizing the gratis allotment of stock acquisition rights with restrictions on exercise by any party who has acquired 20% or more of the Company's share certificates, etc., and related parties of such party (below, the "Stock Acquisition Rights"). The term "any party who has acquired 20% or more of the Company's share certificates, etc., and related parties of such party" as used herein shall mean the following: (i) a party intending to conduct or currently conducting a large-scale purchase (including those reasonably determined by the Board of Directors of the Company, based on the recommendation of the Special Committee, to fall under the category of a party intending to conduct or currently conducting a large-scale purchase, but excluding those specified separately by the Board of Directors; below, the "Specified Acquirer"); (ii) their joint holder or specially related party; (iii) any affiliated party of a party falling under (i) or (ii) (An "affiliated party" of a party refers to any investment bank, securities company, or other financial institution that has entered into a financial advisory agreement with said party; any party who shares a substantial interest with the foregoing; a tender offer agent, attorney, accountant, tax accountant, or other advisor; or any other party recognized by the Board of Directors as being substantially controlled by or acting jointly or in coordination with the foregoing. Additionally, the substantial identity of fund managers and other circumstances will be considered in determining an "affiliated party" associated with a partnership or other fund.); and (iv) a party determined by the Board of Directors as equivalent to those mentioned above.

### 4. Establishment of the Special Committee

The Board of Directors of the Company shall establish the Special Committee by its resolution. The Special Committee shall consist of a minimum of three members, including external officers of the Company and external experts.

### 5. Procedures for Countermeasures

#### i) Submission of Letter of Intent

Prior to commencing or executing a large-scale purchase, the Specified Acquirer shall submit to the Company a set of documents prepared in the form prescribed elsewhere by the Company, including a legally binding document that contains, among others, a written pledge to the effect that the Specified Acquirer will comply with the procedures prescribed in the Plan (this document must be signed by a representative of the Specified Acquirer or bear their name and seal, and must not be attached with any conditions or reservations.), and a certificate of said representative's qualifications (below, collectively the "Letter of Intent"). The Letter of Intent shall include the name and address of the Specified Acquirer, its principal place of business or office, the governing law for incorporation, the name of the representative, contact information in Japan, an outline of the intended large-scale purchase, and other relevant information. The language used in all the materials submitted or provided by the Specified Acquirer to the Company or the Special Committee shall be only Japanese.

#### ii) Request to the Specified Acquirer for the provision of information

The Specified Acquirer is required to make a takeover proposal (below, the "Takeover Proposal") after submitting to the Board of Directors of the Company a takeover proposal statement (below, the "Takeover Proposal Statement") containing the information listed below regarding the large-scale purchase (below, the "Large-Scale Purchase Information") in a necessary and sufficient manner, no later than the earlier of either the public announcement of the commencement of a tender offer for a specific takeover bid or the acquisition of controlling shares. However, if five or more business days elapse from the receipt date of the Letter of Intent by the Board of Directors of the Company, the proposal must occur by the fifth business day following receipt (excluding the day of receipt).

Upon receipt of the Takeover Proposal Statement, the Board of Directors will promptly refer it to the Special Committee.

Whenever the Board of Directors and the Special Committee of the Company determine that the information provided in the Takeover Proposal Statement is insufficient for the Large-Scale Purchase Information, they

may request the Specified Acquirer to submit additional related information by specifying a response period as needed (up to 60 days from the receipt of the Takeover Proposal Statement as a general rule). In this case, the Specified Acquirer shall submit the additional information to the Board of Directors and the Special Committee of the Company within the designated response period.

Upon receipt of the Takeover Proposal Statement containing necessary and sufficient information from the Specified Acquirer, the Company will promptly disclose it. Additionally, matters deemed appropriate among the Large-Scale Purchase Information will be disclosed to shareholders of the Company in a timely and appropriate manner.

[Large-Scale Purchase Information]

- a. Details (including names, capital structure, financial position, business description, names of corporate officers, all relationships, and others) of the Specified Acquirer and its joint holder or specially related party, as well as any party who controls the foregoing. For each individual Specified Acquirer, the following details shall be provided: nationality; career history; name, principal businesses, and address of companies or other organizations where the individual held management, managerial or employee positions; and the corresponding dates of tenure.
- b. Purpose, method, and details of the purchase (including the number of shares to be purchased, amount and type of consideration for the purchase, timing and duration of the purchase, structure of related transactions, legality of the purchase method, feasibility of the purchase, potential changes to and cancellation of purchase terms, and details regarding a planned two-tier tender offer, if any)
- c. Basis of calculation of the purchase price
- d. Details of any agreements, if applicable, entered into between the Specified Acquirer and third parties concerning the Company's share certificates, etc., as well as information about past acquisitions of the Company's share certificates, etc., by the Specified Acquirer
- e. Supporting documents explaining the source of funds for the purchase (including the total amount of funds to be financed for the purchase, the specific names of the fund providers (including substantial providers of funds) for the purchase, funding methods, and the details of any related transactions)
- f. Post-purchase management policy, business plan (including business sales and acquisitions, mergers, company splits, capital expenditure, replacement of officers and management), and capital and dividend policies for the Company and the Group
- g. Post-purchase response policies for employees, business partners, customers, local stakeholders, and other stakeholders of the Company and the Group
- h. Specific measures to avoid any conflicts of interest with other shareholders of the Company
- i. Information regarding any relationship with antisocial forces
- j. Other information determined to be reasonably necessary by the Board of Directors or the Special Committee of the Company

iii) Establishment of Board Evaluation Period

When the Specified Acquirer submits a Letter of Intent and Takeover Proposal Statement containing the necessary and sufficient Large-Scale Purchase Information, along with any additional information requested by the Board of Directors and the Special Committee of the Company, if any, to address insufficiencies they found in the initial Takeover Proposal Statement, the Specified Acquirer's proposal shall be treated as a Takeover Proposal. (The date on which a proposal for a large-scale purchase is treated as a Takeover Proposal is hereinafter referred to as the "Takeover Proposal Receipt Date.") The Board of Directors of the Company will promptly announce that the Takeover Proposal has been made and initiate an evaluation, examination, and discussion with the Specified Acquirer to decide whether or not to pass a resolution not to implement countermeasures (below, the "Resolution Confirming the Non-Implementation of Countermeasures") in response to the Takeover Proposal.

The Board of Directors of the Company shall evaluate and examine the Takeover Proposal based on its potential to contribute to the common interests of the Company's shareholders. Within a timeframe of 60 days after the Takeover Proposal Receipt Date (applicable in the case of a Takeover Proposal subject to no specified maximum number of shares to be acquired and cash-only consideration in yen) or 90 days (for other methods) (below, the "Board Evaluation Period"), the Board of Directors shall determine whether or not to pass the Resolution Confirming the Non-Implementation of Countermeasures in response to the Takeover

Proposal. However, if deemed necessary by the Board of Directors of the Company, the Board Evaluation Period may be extended for up to 30 days. In such a case, the specific period of extension and the reasons necessitating it shall be communicated to the Specified Acquirer and disclosed to shareholders in a timely and appropriate manner, in accordance with applicable laws and regulations.

The Specified Acquirer may, following discussions with the Board of Directors of the Company, make changes to the matters concerning the Large-Scale Purchase Information described in the proper Takeover Proposal Statement. In the event that the Board of Directors of the Company identifies a significant change made by the Specified Acquirer to the Large-Scale Purchase Information, it will disclose the change, the reasons behind it, and any other information deemed appropriate in a timely and appropriate manner, in accordance with applicable laws and regulations, thereby suspending the procedures aligned with the Plan, which were initiated for the large-scale purchase based on the previous Large-Scale Purchase Information (below, the “Large-Scale Purchase before Change”). Any subsequent large-scale purchase based on the amended Large-Scale Purchase Information shall be treated as a separate large-scale purchase from the Large-Scale Purchase before Change, and the procedures under the Plan shall be reinstated accordingly.

iv) Preparation of Alternative Proposal

The Board of Directors of the Company may prepare a business plan and other proposal (below, the “Alternative Proposal”) that it deems more appropriate than the Takeover Proposal presented by the Specified Acquirer for enhancing the Company’s corporate value and, in turn, the common interests of its shareholders. Concurrently, to assist shareholders in determining the best course of action between the Takeover Proposal from the Specified Acquirer or the Alternative Proposal from the Board of Directors of the Company, the Board of Directors will also articulate its viewpoint on the Takeover Proposal and disclose it to shareholders in a timely and appropriate manner, in accordance with applicable laws and regulations.

v) Verification of proper Takeover Proposal Statement and Alternative Proposal by the Special Committee

Upon receipt of a Takeover Proposal, the Board of Directors of the Company will promptly refer it to the Special Committee, requesting its deliberation on whether or not to enact the Resolution Confirming the Non-Implementation of Countermeasures in response to the Takeover Proposal made by the Specified Acquirer within the Board Evaluation Period. Additionally, the Board of Directors of the Company will provide the Special Committee with details of discussions to be held with the Specified Acquirer, underlying facts, details of the Alternative Proposal, and any other information necessary for the Special Committee’s consideration. The Special Committee shall evaluate the Takeover Proposal referred to by the Board of Directors of the Company based on its potential to contribute to the common interests of the Company’s shareholders and deliberate on whether or not to enact the Resolution Confirming the Non-Implementation of Countermeasures. Subsequently, the Committee shall provide the Board of Director of the Company with a written recommendation stating the details of its decision and the rationale behind it within the Board Evaluation Period.

However, even if the Special Committee recommends enacting the Resolution Confirming the Non-Implementation of Countermeasures in response to the Takeover Proposal to the Board of Directors of the Company, it may issue a renewed recommendation to implement countermeasures against the proposal to the Board of Directors if it determines that such action is warranted due to changes in the facts or circumstances upon which the initial recommendation was based, at a later date. Even if the Special Committee recommends implementing countermeasures against the Takeover Proposal to the Board of Directors of the Company, it may issue a renewed recommendation to the Board of Directors to suspend the implementation of the countermeasures or take alternative actions, should there be changes in the facts or circumstances upon which the initial recommendation was based, at a later date.

To facilitate the Special Committee’s appropriate decision-making for ensuring and enhancing the common interests of shareholders of the Company, it may seek advice from third parties (including financial advisers, certified public accountants, attorneys, consultants, or any other experts) independent from the Board of Directors of the Company at the expense of the Company.

## 6. Summary of the Plan

In the event of the Takeover Proposal posing potential harm to the common interests of shareholders, the Company believes that any countermeasures against the Takeover Proposal should be implemented, as a general rule, only subsequent to conducting procedures to confirm the shareholders’ will at a General Meeting of Shareholders, given its impact on their common interests.

(A) Non-adherence to prior procedures by the Specified Acquirer, etc.

If a large-scale purchase by the Special Acquirer falls under any of the following items, the Special Committee will, in principle, recommend the implementation of countermeasures to the Board of Directors of the Company. However, exceptions may apply if it is clearly necessary to forego countermeasures to ensure and enhance the common interests of shareholders of the Company or in the presence of other special circumstances. If the recommendation stipulates that procedures for confirming the shareholders' will concerning the implementation of countermeasures be followed at a General Meeting of Shareholders, the Company's Board of Directors complies with the recommendation (except in cases where the Board of Directors determines that compliance with the recommendation may violate their duty of care) and promptly convenes a General Meeting of Shareholders for shareholders to decide whether or not to implement the countermeasures. However, in the absence of the stipulation within the recommendation that procedures for confirming the shareholders' will concerning the implementation of countermeasures be followed at a General Meeting of Shareholders, the Company's Board of Directors complies with the recommendation (except in cases where the Board of Directors determines that compliance with the recommendation may violate their duty of care) and passes a resolution to implement the countermeasures without confirming the shareholders' will.

- a. In the event that the Specified Acquirer conducts a large-scale purchase without adhering to the prior procedures set forth in the Plan;
- b. In the event of a large-scale purchase that may pose an obvious threat to the corporate value of the Company and, in turn, the common interests of its shareholders; and
- c. In the event of a large-scale purchase that practically compels shareholders to sell their shares, such as a coercive two-tier tender offer.

(B) Adherence to prior procedures by the Specified Acquirer

In the Plan, notwithstanding the Specified Acquirer's adherence to procedures set forth in the Plan, if the Special Committee issues a recommendation deeming the large-scale purchase by said Specified Acquirer detrimental to the common interests of the Company's shareholders, the Board of Directors of the Company informs shareholders of the Takeover Proposal by the Specified Acquirer and the Board of Directors' opinion thereof, and provides them with necessary and sufficient information pertaining to any alternative proposal by the Board of Directors, if applicable, in compliance with the recommendation (except in cases where the Board of Directors determines that compliance with the recommendation may violate their duty of care). Subsequently, it will promptly convene a General Meeting of Shareholders for shareholders to decide whether or not to implement the countermeasures.

Meanwhile, in the event that the Special Committee issues a recommendation for the Resolution Confirming the Non-Implementation of Countermeasures in response to the Takeover Proposal, the Board of Directors of the Company will respect this recommendation to the maximum extent and subsequently reach a final decision on whether or not to adopt the Resolution Confirming the Non-Implementation of Countermeasures. However, even in light of the Special Committee's recommendation for the Resolution Confirming the Non-Implementation of Countermeasures, if the Board of Directors of the Company determines that the Takeover Proposal will not contribute to maintaining and enhancing the common interests of the Company's shareholders, it will promptly convene a General Meeting of Shareholders for shareholders to decide whether or not to implement the countermeasures.

7. Takeover Proposer's Request Regarding Proposal Set Forth in Article 6, Paragraph 3 of the Articles of Incorporation

If a takeover proposer, who satisfies the requirements set forth in the resolution of the Board of Directors, makes a written request to the Board of Directors to hold a General Meeting of Shareholders as stated in Article 6, paragraph 3 of the Articles of Incorporation regarding their Takeover Proposal, the Board of Directors shall, following consultation with the Special Committee, convene a General Meeting of Shareholders, with this matter designated as a proposal to be resolved, within a reasonable timeframe necessary to hold the General Meeting of Shareholders. However, this shall not be applicable in case of the adoption of the Resolution Confirming the Non-Implementation of Countermeasures in response to the Takeover Proposal. Moreover, if the Resolution Confirming the Non-Implementation of Countermeasures is adopted subsequent to the commencement of the procedures for convening the General Meeting of Shareholders, or in other instances determined by the Board of Directors, the procedures for convening the General Meeting of Shareholders shall be suspended accordingly.

In addition to the above, the Board of Directors may, at its own discretion, convene a General Meeting of Shareholders to present the proposal described above.

#### 8. Procedures for Confirming Shareholders' Will

If, either at the request of a takeover proposer or at the discretion of the Board of Directors, procedures are initiated to convene a General Meeting of Shareholders for presenting a proposal as specified in Article 6, paragraph 3 of the Articles of Incorporation in response to a specific Takeover Proposal (except in cases where the procedures are suspended prior to the date of the General Meeting of Shareholders due to failure to satisfy the requirements stipulated in the resolution of the Board of Directors or for other reasons), the Board of Directors of the Company may implement countermeasures under the Plan only if a resolution approving such implementation under the Plan in response to such Takeover Proposal is adopted at the meeting attended by shareholders holding a majority of voting rights of shareholders entitled to exercise voting rights, with approval by a majority of the voting rights of all shareholders present, in accordance with the provision of the aforementioned paragraph.

[Attachments]: Details of the Plan approved by the Board of Directors of the Company, subject to the approval of this Proposal presented at this Annual General Meeting of Shareholders

Proper Response Policy to Ensure and Enhance the Company's Corporate Value and, in turn, the Common Interests of Shareholders (Takeover Response Policy)

#### A. Basic policy on the persons who control decisions on the Company's financial and business policies

As a listed company that allows free trading of its shares, the Company does not generally reject so-called "acquisitions without consent" that are conducted without the approval of the Board of Directors, as long as they contribute to the Company's corporate value and, in turn, the common interests of its shareholders. We believe that the decision on whether or not to sell shares to an acquirer and the decision on whether or not to entrust the management of a company to an acquirer should basically be left to the will of individual shareholders.

On the other hand, we believe that those who control decisions on the Company's financial and business policies should be those who make it possible to continuously ensure and enhance the corporate value of the Group and, in turn, the common interests of its shareholders (below, "common interests of shareholders").

However, there are some takeover attempts that do not contribute to the common interests of shareholders, depending on the manner in which they are conducted.

The elements that constitute the Company's corporate value are: 1) trademarks or sales rights to several sportswear brands (sports brands) with high added value and high image that are positioned in the top class of the industry; 2) superior creativity, planning and manufacturing know-how, and state-of-the-art research facilities to embody these brand values; 3) individual talented officers and employees who support such creativity, planning, and manufacturing know-how; 4) the company's management resources, including a large number of suppliers and customers backed by relationships of trust cultivated over many years of business, as well as a trade area, etc., that includes self-managed stores; 5) a business foundation that will enable the company to expand its business and improve its performance in the future by developing new businesses, new products, and new markets, in addition to conducting its existing business based on these management resources; and 6) a management base that can generate stable cash flow through business activities to strengthen the company's capital in the future. Without an understanding of the essential sources of the Company's corporate value as described above, it is impossible to secure and sustainably enhance the Company's corporate value.

An acquirer who lacks such understanding, while making a temporary profit by conducting a large-scale purchase of the Company's shares and focusing only on short-term economic efficiency, may undermine the Company's management resources and business foundation described above, or may act against the structure that generates the Company's corporate value by acquiring only certain brands or commercial rights and disposing of the rest, thereby impairing the continuity of the Company as a business entity, which would result in damage to the common interests of shareholders.

Thus, against an acquirer who harms the common interests of shareholders, the Board of Directors should be allowed to trigger countermeasures to the extent reasonable to protect the common interests of shareholders. However, because there can be a wide variety of Takeover Proposals, there may be cases where it is difficult

to determine whether the content of the Takeover Proposal will contribute to or detract from the common interests of shareholders. In the event of a takeover bid, the Board of Directors will first discuss and negotiate with the takeover proposer, but in cases where certain requirements are met, such as where the takeover proposer provides the Company with appropriate, necessary, and sufficient information to determine whether the proposed acquisition would contribute to the common interests of shareholders and then makes a written request to the Company, or where the Company receives a recommendation from the Special Committee, it is desirable to have shareholders decide at a General Meeting of Shareholders whether or not to invoke countermeasures under the Plan in response to such Takeover Proposal.

In addition, in order to enable our shareholders to make an appropriate decision at the General Meeting of Shareholders as to whether or not a Takeover Proposal will contribute to securing and enhancing the common interests of shareholders, we believe that it is the responsibility of the Company's Board of Directors to ensure that the proposer of a Takeover Proposal discloses necessary and sufficient information regarding the impact of such a Takeover Proposal on our shareholders and the management of the Group, the details of the management policy and business plan of the Group intended by the acquirer, and the impact of such a Takeover Proposal on the many stakeholders surrounding the Group.

## B. Efforts to contribute to the realization of the basic policy

### 1. Status of efforts to enhance corporate value

In the five-year medium-term management plan (fiscal year ended March 31, 2022 to fiscal year ending March 31, 2026), in addition to the corporate philosophy of “to realize a fulfilling and healthy lifestyle through sports,” which it has held since our foundation, the Group has been expanding investments in growth areas that drive sustainable business growth through redefining business domains within the rapidly evolving apparel market under the tagline of “SPORTS FIRST,” the idea that putting sports first, truly loving and practicing sports ourselves, and believing in the power of sports will lead to healthy and enjoyable lives.

In the 72nd fiscal year, the second fiscal year of the aforementioned five-year medium-term management plan, higher sales and profits were achieved year on year across all sales channels and business categories. As a result, the numerical targets set for the final year of the plan were exceeded and net sales surpassed 100.0 billion yen for the first time since our foundation.

There is a growing inclination among individuals to contribute to the environment and society, and emerging new consumption trends, and companies adept at sensitively responding to these shifts are experiencing growth.

Under its long-term vision PLAY EARTH 2030, the Company is redoubling its efforts to promote manufacturing and building a management base. Fulfilling its responsibility to the future, the Company aims to evolve into an indispensable entity within society.

In addition, in our endeavor to strengthen our global business, we established a new business division in April 2023, thereby galvanizing our efforts to amplifying the brand power of our original “Goldwin” brand and advance our overseas expansion. While reestablishing its brand value as a premier brand in sports apparel, not only by pursuing product functionality but also by conveying the design narrative to customers, we also aim to expand sales and improve efficiency through redesigning the supply chain.

Going forward, we will strive to achieve sustainable growth in the future by actively investing in growth areas while maintaining and improving a solid financial foundation that can flexibly respond to changes in customers and markets.

### 2. Efforts to strengthen corporate governance

In order to enhance the common interests of shareholders and realize sustainable growth and increase corporate value, we recognize that improving management efficiency, soundness, and transparency and enhancing corporate governance are important issues, and we are strengthening our corporate governance system.

Specifically, in order to ensure prompt and effective execution of business operations, the Company is enhancing its internal control functions and operating its rules of authority to ensure their effectiveness, while building a compliance system and taking initiatives in risk management, ensuring management transparency and fair information disclosure, etc.

Based on its fiduciary responsibility and accountability to shareholders, the Board of Directors makes decisions on important business operations and supervises business execution mainly led by four external Directors in order to ensure the Company's sustainable growth and enhance its corporate value over the medium to long term. (At this Annual General Meeting of Shareholders, a proposal to increase the number of Directors is presented. If the proposals are approved, the number of external Directors will be five.)

In addition, in order to clarify the management responsibility of each Director and to create a management structure that can quickly respond to changes in the business environment, the term of office of Directors is set at one year so that the will of shareholders can be promptly reflected. The Company has introduced a corporate officer system. Corporate Officers appointed by the Board of Directors appropriately execute operations under the authority delegated to them in their respective areas based on the management strategies determined by the Board of Directors, thereby strengthening the supervisory function of the Board of Directors through four external Directors out of ten Directors. (At this Annual General Meeting of Shareholders, a proposal to increase the number of Directors is presented. If the proposals are approved, the number of external Directors will be five.) Furthermore, three of the four Auditors on the Board of Auditors are external Auditors, who attend Board of Directors meetings to express their opinions and supervise the Directors' execution of their duties, thereby ensuring the sound management of the company and enhancing its social credibility.

The Company has established the Nomination/Compensation Committee to ensure fairness and transparency in nominating Directors and Corporate Officers and determining their compensation. The Nomination/Compensation Committee, the majority of which are external Directors, deliberates matters related to the nomination of candidates for Directors and Auditors in response to inquiries from the Board of Directors, and reports the results of its deliberations to the Board of Directors. The Company has also established a Governance Committee to improve the effectiveness of the Board of Directors, one of the requirements of the corporate governance code, and to consider measures to address important governance risks.

### 3. Returns to shareholders

Always recognizing that returning profits to shareholders is one of the most important issues for a company, our basic policy is to continue to pay stable dividends to shareholders while strengthening our financial position and management base. The Company will implement various policies related to the above to enhance its corporate value and realize the interests of the Company and, in turn, the common interests of shareholders.

## C. Efforts to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate in light of the basic policy

### I. Purpose of the Plan

The Plan is intended to present in advance the procedures to be followed by a party intending to conduct a large-scale purchase of the Company's share certificates, etc., in conducting a large-scale purchase or its procedures, while also providing shareholders with the necessary and sufficient information, time, and duration to decide whether or not to accept the Takeover Proposal (as defined in III. (1) 7) below) by said party. Concurrently, its objective is to prevent a takeover detrimental to the common interests of shareholders of the Company and to ensure and enhance these interests by securing opportunities to negotiate with the party intending to conduct a large-scale purchase of the Company's share certificates, etc., examining the Takeover Proposal, and engaging in discussions with the party.

Currently, the company is not under any specific threat of takeover. The most recent status of the Company's major shareholders, etc., is as shown in (1) Status of shares on page 44 of this notice.

### II. Summary of the Plan

In the event of the Takeover Proposal posing potential harm to the common interests of shareholders, the Company believes that any countermeasures against the Takeover Proposal should be implemented, as a general rule, only subsequent to confirming the shareholders' will at a General Meeting of Shareholders, given its impact on their common interests.

In the Plan, in the event that the Specified Acquirer (as defined in III (1)1) below) adheres to procedures set forth in the Plan, even if the Special Committee issues a recommendation deeming the large-scale



purchase by said Specified Acquirer detrimental to the common interests of the Company's shareholders, the Board of Directors of the Company informs shareholders of the Takeover Proposal by the Specified Acquirer and the Board of Directors' opinion thereof, and provides them with sufficient information pertaining to any Alternative Proposal by the Board of Directors, if applicable, in compliance with the recommendation (except in cases where the Board of Directors determines that compliance with the recommendation may violate their duty of care). Subsequently, it will promptly convene a General Meeting of Shareholders for shareholders to decide whether or not to implement the countermeasures.

Additionally, if the purchase falls under any of the following items, the Special Committee will, as a general rule, recommend the implementation of countermeasures to the Board of Directors of the Company. However, exceptions may apply if it is clearly necessary to forego countermeasures to ensure and enhance the common interests of shareholders of the Company or in the presence of other special circumstances. If the recommendation stipulates that procedures for confirming the shareholders' will concerning the implementation of countermeasures be followed at a General Meeting of Shareholders, the Company's Board of Directors complies with the recommendation (except in cases where the Board of Directors determines that compliance with the recommendation may violate their duty of care) and promptly convenes a General Meeting of Shareholders for shareholders to decide whether or not to implement the countermeasures. However, in the absence of the stipulation within the recommendation that procedures for confirming the shareholders' will concerning the implementation of countermeasures be followed at a General Meeting of Shareholders, the Company's Board of Directors complies with the recommendation (except in cases where the Board of Directors determines that compliance with the recommendation may violate their duty of care) and passes a resolution to implement the countermeasures without confirming the shareholders' will.

- 1) In the event that the Specified Acquirer conducts a large-scale purchase without adhering to the prior procedures set forth in the Plan;
- 2) In the event of a large-scale purchase that may pose an obvious threat to the corporate value of the Company and, in turn, the common interests of its shareholders; and
- 3) In the event of a large-scale purchase that practically compels shareholders to sell their shares, such as a coercive two-tier tender offer.

### III. Details of the Plan

Details of the Plan are as follows. (The outline of procedures for the Plan is described in the attached flowchart.)

In the case of an amendment to any of the provisions and terms of the laws and regulations, etc. referred to in the Plan (including changes in the names of laws and regulations and the establishment of new laws and regulations, etc. that succeed old laws and regulations, etc.), any reference to such provisions and terms of the laws and regulations, etc. in the Current Plan shall be deemed to be replaced with a reference to the amended provisions and terms of the laws and regulations, etc. that substantively succeed the old laws and regulations, etc.

#### (1) Definitions of terms

The following terms used in the Plan shall be defined as follows:

- 1) A "Specified Acquirer" refers to a party intending to conduct or currently conducting a large-scale purchase (including a party reasonably recognized by the Board of Directors of the Company, based on the recommendation of the Special Committee, as falling under the category of a party intending to conduct or currently conducting a large-scale purchase, but excluding specified exempted parties).
- 2) A "large-scale purchase" is defined as an act falling under i) through iii) below.
  - i) To publicly announce the commencement of a tender offer for a specific takeover bid (a tender offer (Note 2) for the Company's share certificates, etc., (Note 1) that results in at least 20% of the ratio of share certificates, etc., owned (Note 3) after the purchase)
  - ii) To acquire (including the possession of the right to request delivery of share certificates, etc., under a purchase and sale or other contract, and the execution of each transaction specified in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act) controlling shares (share certificates, etc., (Note 5), constituting at least 20% of the ratio of share certificates, etc., held (Note 4))

- iii) Regardless of whether or not any of the acts set forth in i) or ii) above have occurred, any act between a specific shareholder and the other shareholder (including multiple shareholders; the same applies to iii) below) of the Company that leads to an agreement or any other act that would cause the latter shareholder to become a joint holder with the former, or any act (Note 7) between them that establishes a relationship between a specific shareholder and another shareholder where one substantially controls the other or they act jointly or in coordination (Note 6). (However, this only applies in cases where the combined ratio of share certificates, etc., held by the former shareholder and the latter shareholders or the combined ratio of share certificates, etc., owned by the former shareholder and the latter shareholder in relation to those issued by the Company would be 20% or more.)
- 3) Notwithstanding the provisions in 2) above, a party shall not fall under the category of a Specified Acquirer if it solely engages in any act described in i) through iii) below. However, if a party who has acquired controlling shares from any act described in i) through iii), subsequently acquires share certificates, etc., of the Company, constituting at least 1% of the ratio of share certificates, etc., held through an act other than i) through iii), said party shall be classified as a Specified Acquirer.
    - i) A party who has acquired controlling shares solely as a consequence of the acquisition or cancellation of treasury shares by the Company, or through other acts that reduce the total number of outstanding shares or voting rights of the Company;
    - ii) A party who has acquired controlling shares solely as a consequence of exercising the Stock Acquisition Rights or delivering consideration for the acquisition of the Stock Acquisition Rights pursuant to the provisions of the Acquisition Clause; or
    - iii) A party who has acquired controlling shares solely as a consequence of other acts separately determined by the Board of Directors of the Company.
  - 4) “Specified exempted parties” refers to i) the Company, ii) subsidiaries of the Company, and iii) the Employee Stockholding Association of the Company or its subsidiaries, and a party who holds the Company’s shares on behalf of the Employee Stockholding Association.
  - 5) A “Specified Acquirer, etc.,” refers to the Specified Acquirer, its joint holder, or its specially related party, as well as any party who controls the foregoing and its affiliated party (including the Specified Acquirer, its joint holder, or its specially related party, any party who controls the foregoing, and its affiliated party reasonably recognized by the Board of Directors of the Company, based on the recommendation of the Special Committee, as falling under this category).
  - 6) An “affiliated party” of a party refers to any investment bank, securities company, or other financial institution that has entered into a financial advisory agreement with said party; any party who shares a substantial interest with the foregoing; a tender offer agent, attorney, accountant, tax accountant, or other advisor; or any other party being substantially controlled by or acting jointly or in coordination with the foregoing. In addition, the substantial identity of fund managers and other circumstances will be considered in determining an “affiliated party” associated with a partnership or other fund.
  - 7) “Prior procedures” refers to the procedures set forth in (2) Details of the Plan below, which are required of the Specified Acquirer.
  - 8) A “Takeover Proposal” refers to a proposal for a large-scale purchase that contains sufficient Large-Scale Purchase Information (as defined in (2) Details of the Plan 2) ii) below).
  - 9) A “takeover proposer” refers to a Specified Acquirer who has submitted a Takeover Proposal to the Company beforehand, following the prior procedures with respect to a large-scale purchase.
  - 10) A “Resolution Confirming the Non-Implementation of Countermeasures” refers to a resolution passed by the Board of Directors stating that countermeasures under the Plan will not be implemented in response to a Takeover Proposal addressed by the resolution.
  - 11) The “Stock Acquisition Rights” refer to the stock acquisition rights detailed in (7) “Summary of gratis allotment of Stock Acquisition Rights” below, which will be allotted to shareholders of the Company as a countermeasure under the Plan.
- (Note 1) Share certificates, etc., are as provided for in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act.

- (Note 2) A tender offer is as provided for in Article 27-2, paragraph (6) of the Financial Instruments and Exchange Act.
- (Note 3) The ratio is calculated in accordance with the provisions of Article 27-2, paragraph (8) of the Financial Instruments and Exchange Act. However, it shall be totaled with the ratio of share certificates, etc., owned by a specially related party (as stipulated in Article 27-2, paragraph (7) of the Financial Instruments and Exchange Act; hereinafter the same). In the Plan, the “ratio of share certificates, etc., owned,” as referred to hereinafter, shall carry the aforementioned meaning unless otherwise specified.
- (Note 4) The ratio is calculated in accordance with the provisions of Article 27-23, paragraph (4) of the Financial Instruments and Exchange Act. However, it shall be totaled with the ratio of share certificates, etc., held by a joint holder (as stipulated in Article 27-23, paragraphs (5) and (6) of the Financial Instruments and Exchange Act; hereinafter the same). In the Plan, the “ratio of share certificates, etc., held,” as referred to hereinafter, shall carry the aforementioned meaning unless otherwise specified.
- (Note 5) Share certificates, etc., are as provided for in Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act. In the Plan, “share certificates, etc.,” as referred to hereinafter, shall carry the aforementioned meaning unless otherwise specified.
- (Note 6) The determination of the “establishment of a relationship between a specific shareholder and another shareholder where one substantially controls the other or they act jointly or in coordination” shall be based on factors, including the formation of new investment, business tie-up, transactional or contractual relationships, concurrent directorships, funding and credit relationships, and substantial interests in the Company’s shares through derivatives, stock lending, etc., and the direct or indirect influence exerted by the specific shareholder and the other shareholder of the Company.
- (Note 7) The Board of Directors of the Company shall determine whether any act prescribed in iii) above has been conducted, in accordance with the recommendation of the Special Committee. To the extent needed to determine the applicability of the requirements stated in iii) above, the Board of Directors of the Company may request that its shareholders provide the requisite information.

## (2) Details of the Plan

### 1) Applicable purchases

Purchases subject to the Plan are large-scale purchases.

The Specified Acquirer shall follow the procedures set forth in the Plan beforehand and shall not conduct any purchase, etc., until the Board of Directors of the Company passes a Resolution Confirming the Non-Implementation of Countermeasures in line with the Plan, or until proposals as specified in Article 6, paragraph 3 of the Articles of Incorporation are rejected at the General Meeting of Shareholders. (The period, wherein large-scale purchases may not be conducted, is hereinafter referred to as the “Purchase Suspension Period.”)

### 2) Prior procedures

#### i) Submission of Letter of Intent

Prior to commencing or executing a large-scale purchase, the Specified Acquirer shall submit to the Company a set of documents prepared in the form prescribed elsewhere by the Company, including a legally binding document that contains, among others, a written pledge to the effect that the Specified Acquirer will comply with the procedures prescribed in the Plan (This document must be signed by a representative of the Specified Acquirer or bear their name and seal, and must not be attached with any conditions or reservations.), and a certificate of said representative’s qualifications (below, collectively the “Letter of Intent”). The Letter of Intent shall include the name and address of the Specified Acquirer, its principal place of business or office, the governing law for incorporation, the name of the representative, contact information in Japan, the current number of the Company’s share certificates, etc., held by the Specified Acquirer, an outline of the intended large-scale purchase, and other relevant information. The language used in all the materials and information submitted by the Specified Acquirer to the Company or the Special Committee (including but not limited to

the Letter of Intent) and other communications and notifications to the Company shall be only Japanese.

ii) Request to the Specified Acquirer for the provision of information

The Specified Acquirer is required to make a takeover proposal (below, the “Takeover Proposal”) after submitting to the Board of Directors of the Company a takeover proposal statement (below, the “Takeover Proposal Statement”) containing the information listed below regarding the large-scale purchase (below, the “Large-Scale Purchase Information”) in a necessary and sufficient manner, no later than the earlier of either the public announcement of the commencement of a tender offer for a specific takeover bid or the acquisition of controlling shares. However, if five or more business days elapse from the receipt date of the Letter of Intent by the Board of Directors of the Company, the proposal must occur by the fifth business day following receipt (excluding the day of receipt). Upon receipt of the Takeover Proposal Statement, the Board of Directors will promptly refer it to the Special Committee.

Whenever the Board of Directors and the Special Committee of the Company determine that the information provided in the Takeover Proposal Statement is insufficient for the Large-Scale Purchase Information, they may request the Specified Acquirer to submit additional related information by specifying a response period as needed (up to 60 days from the receipt of the Takeover Proposal Statement as a general rule). In this case, the Specified Acquirer shall submit the additional information to the Board of Directors and the Special Committee of the Company within the designated response period.

Upon receipt of the Takeover Proposal Statement containing necessary and sufficient information from the Specified Acquirer, the Company will promptly disclose it. Additionally, matters deemed appropriate among the Large-Scale Purchase Information will be disclosed to shareholders of the Company in a timely and appropriate manner.

[Large-Scale Purchase Information]

- a. Details (including names, capital structure, financial position, business description, names of corporate officers, all relationships, and others) of the Specified Acquirer and its joint holder or specially related party, as well as any party who controls the foregoing. For each individual Specified Acquirer, the following details shall be provided: nationality; career history; name, principal businesses, and address of companies or other organizations where the Specified Acquirer held management, managerial or employee positions; and the corresponding dates of tenure.
- b. Purpose, method, and details of the purchase (including the number of shares to be purchased, amount and type of consideration for the purchase, timing and duration of the purchase, structure of related transactions, legality of the purchase method, feasibility of the purchase, potential changes to and cancellation of purchase terms, and details regarding a planned two-tier tender offer, if any)
- c. Basis of calculation of the purchase price
- d. Details of any agreements, if applicable, entered into between the Specified Acquirer and third parties concerning the Company’s share certificates, etc., as well as information about past acquisitions of the Company’s share certificates, etc., by the Specified Acquirer
- e. Supporting documents explaining the source of funds for the purchase (including the total amount of funds to be financed for the purchase, the specific names of the fund providers (including substantial providers of funds) for the purchase, funding methods, and the details of any related transactions)
- f. Post-purchase management policy, business plan (including business sales and acquisitions, mergers, company splits, capital expenditure, replacement of officers and management), and capital and dividend policies for the Company and the Group
- g. Post-purchase response policies for employees, business partners, customers, local stakeholders, and other stakeholders of the Company and the Group
- h. Specific measures to avoid any conflicts of interest with other shareholders of the Company
- i. Information regarding any relationship with antisocial forces

- j. Other information determined to be reasonably necessary by the Board of Directors or the Special Committee of the Company
- iii) Establishment of Board Evaluation Period

When the Specified Acquirer submits a Letter of Intent and Takeover Proposal Statement containing the necessary and sufficient Large-Scale Purchase Information, along with any additional information requested by the Board of Directors and the Special Committee of the Company, if any, to address insufficiencies they found in the initial Takeover Proposal Statement, the Specified Acquirer's proposal shall be treated as a Takeover Proposal. (The date on which a proposal for a large-scale purchase is treated as a Takeover Proposal is hereinafter referred to as the "Takeover Proposal Receipt Date.") The Board of Directors of the Company will promptly announce that the Takeover Proposal has been made and initiate an evaluation, examination, and discussion with the Specified Acquirer to decide whether or not to pass a resolution not to implement countermeasures (below, the "Resolution Confirming the Non-Implementation of Countermeasures") in response to the Takeover Proposal.

The Board of Directors of the Company shall evaluate and examine the Takeover Proposal based on its potential to contribute to the common interests of the Company's shareholders. Within a timeframe of 60 days after the Takeover Proposal Receipt Date (applicable in the case of a Takeover Proposal subject to no specified maximum number of shares to be acquired and cash-only consideration in yen) or 90 days (for other methods) (below, the "Board Evaluation Period"), the Board of Directors shall determine whether or not to pass the Resolution Confirming the Non-Implementation of Countermeasures in response to the Takeover Proposal. However, if deemed necessary by the Board of Directors of the Company, the Board Evaluation Period may be extended for up to 30 days. In such a case, the specific period of extension and the reasons necessitating it shall be communicated to the Specified Acquirer and disclosed to shareholders in a timely and appropriate manner, in accordance with applicable laws and regulations.

The Specified Acquirer may, following discussions with the Board of Directors of the Company, make changes to the matters concerning the Large-Scale Purchase Information described in the proper Takeover Proposal Statement. In the event that the Board of Directors of the Company identifies a significant change made by the Specified Acquirer to the Large-Scale Purchase Information, it will disclose the change, the reasons behind it, and any other information deemed appropriate in a timely and appropriate manner, in accordance with applicable laws and regulations, thereby suspending the procedures aligned with the Plan, which were initiated for the large-scale purchase based on the previous Large-Scale Purchase Information (below, the "Large-Scale Purchase before Change"). Any subsequent large-scale purchase based on the amended Large-Scale Purchase Information shall be treated as a separate large-scale purchase from the Large-Scale Purchase before Change, and the procedures under the Plan shall be reinstated accordingly.
- iv) Preparation of Alternative Proposal

The Board of Directors of the Company may prepare a business plan and other proposal (below, the "Alternative Proposal") that it deems more appropriate than the Takeover Proposal presented by the Specified Acquirer for enhancing the Company's corporate value and, in turn, the common interests of its shareholders. Concurrently, to assist shareholders in determining the best course of action between the Takeover Proposal from the Specified Acquirer or the Alternative Proposal from the Board of Directors of the Company, the Board of Directors will also articulate its viewpoint on the Takeover Proposal and disclose it to shareholders in a timely and appropriate manner, in accordance with applicable laws and regulations.
- v) Verification of proper Takeover Proposal Statement and Alternative Proposal by the Special Committee

Upon receipt of a Takeover Proposal, the Board of Directors of the Company will promptly refer it to the Special Committee, requesting its deliberation on whether or not to enact the Resolution Confirming the Non-Implementation of Countermeasures in response to the

Takeover Proposal made by the Specified Acquirer within the Board Evaluation Period. Additionally, the Board of Directors of the Company will provide the Special Committee with details of discussions to be held with the Specified Acquirer, underlying facts, details of the Alternative Proposal, and any other information necessary for the Special Committee's consideration.

The Special Committee shall evaluate the Takeover Proposal referred to by the Board of Directors of the Company based on its potential to contribute to the common interests of the Company's shareholders and deliberate on whether or not to enact the Resolution Confirming the Non-Implementation of Countermeasures. Subsequently, the Committee shall provide the Board of Director of the Company with a written recommendation stating the details of its decision and the rationale behind it within the Board Evaluation Period.

However, even if the Special Committee recommends enacting the Resolution Confirming the Non-Implementation of Countermeasures in response to the Takeover Proposal to the Board of Directors of the Company, it may issue a renewed recommendation to implement countermeasures against the proposal to the Board of Directors if it determines that such action is warranted due to changes in the facts or circumstances upon which the initial recommendation was based, at a later date. Even if the Special Committee recommends implementing countermeasures against the Takeover Proposal to the Board of Directors of the Company, it may issue a renewed recommendation to the Board of Directors to suspend the implementation of the countermeasures or take alternative actions, should there be changes in the facts or circumstances upon which the initial recommendation was based, at a later date.

To facilitate the Special Committee's appropriate decision-making for ensuring and enhancing the common interests of shareholders of the Company, it may seek advice from third parties (including financial advisers, certified public accountants, attorneys, consultants, or any other experts) independent from the Board of Directors of the Company at the expense of the Company.

(3) Consideration of Resolution Confirming the Non-Implementation of Countermeasures

(A) Non-adherence to prior procedures by the Specified Acquirer, etc.

If a large-scale purchase by the Special Acquirer falls under any of the following items, the Special Committee will, in principle, recommend the implementation of countermeasures to the Board of Directors of the Company. However, exceptions may apply if it is clearly necessary to forego countermeasures to ensure and enhance the common interests of shareholders of the Company or in the presence of other special circumstances. If the recommendation stipulates that procedures for confirming the shareholders' will concerning the implementation of countermeasures be followed at a General Meeting of Shareholders, the Company's Board of Directors complies with the recommendation (except in cases where the Board of Directors determines that compliance with the recommendation may violate their duty of care) and promptly convenes a General Meeting of Shareholders for shareholders to decide whether or not to implement the countermeasures. However, in the absence of the stipulation within the recommendation that procedures for confirming the shareholders' will concerning the implementation of countermeasures be followed at a General Meeting of Shareholders, the Company's Board of Directors complies with the recommendation (except in cases where the Board of Directors determines that compliance with the recommendation may violate their duty of care) and passes a resolution to implement the countermeasures without confirming the shareholders' will.

- a. If the Specified Acquirer initiates a large-scale purchase without submitting a proper Takeover Proposal Statement, initiates, continues, or resumes a large-scale purchase during the Purchase Suspension Period, or otherwise fails to comply with the procedures set forth in the Plan, and if it is deemed reasonable to implement countermeasures to ensure and enhance the common interests of shareholders of the Company;
- b. If a large-scale purchase falls under any of the following conditions that may pose an obvious threat to the Company's corporate value and, in turn, the common interests of its shareholders; and

- (a) An act to buy up shares with the intention to demand that the Company and its relevant parties repurchase them at an inflated price;
  - (b) An act to maneuver management with the intention to benefit the Specified Acquirer, etc., at the expense of the Company, such as assuming temporary control over management to transfer the Company's material assets and other resources;
  - (c) An act to divert the Company's assets to secure or settle debts owed by the Specified Acquirer, etc.;
  - (d) An act aimed at achieving temporary high returns at the expense of the Company's ongoing development, such as assuming temporary control over management to reduce assets and funds necessary for future business expansion, product development, and other endeavors;
  - (e) A large-scale purchase that poses a significant threat to the common interests of the Company's shareholders by undermining the Company's brand power, corporate culture, development technology or relationships with employees or customers, all of which are indispensable for generating the Company's corporate value; and
  - (f) Any other acts aimed at benefiting the Specified Acquirer, etc. by unfairly harming the interests of the Company's stakeholders, including the Company's shareholders, business partners, customers, and employees.
- c. If the structure and details, etc., of the transaction associated with the Takeover Proposal constitute a large-scale purchase that may practically compel the Company's shareholders to accept the takeover, notably through a coercive two-tier tender offer (meaning shareholders being practically compelled into accepting the purchase under unfavorable conditions, lacking clarity, or in a way that casts doubts on future tradability of the Company's share certificates, etc., falsely suggesting delisting, etc., during the subsequent purchase stage following an unsuccessful attempt to acquire all share certificates in the first stage)

In considering the Resolution Confirming the Non-Implementation of Countermeasures, the Board of Directors of the Company may seek advice, as necessary, from external experts (including financial advisers, certified public accountants, attorneys, consultants, or any other experts) in a third-party position independent from the Board of Directors for ensuring and enhancing the common interests of shareholders of the Company.

Shareholders entitled to exercise voting rights at the General Meeting of Shareholders convened by the Board of Directors of the Company, in accordance with Article 6, paragraph 3 of the Articles of Incorporation, shall be those listed or recorded in the most recent shareholders' register as of the record date determined by the Board of Directors.

(B) Adherence to prior procedures by the Specified Acquirer

In the Plan, notwithstanding the Specified Acquirer's adherence to procedures set forth in the Plan, if the Special Committee issues a recommendation deeming the large-scale purchase by said Specified Acquirer detrimental to the common interests of the Company's shareholders, the Board of Directors of the Company informs shareholders of the Takeover Proposal by the Specified Acquirer and the Board of Directors' opinion thereof, and provides them with necessary and sufficient information pertaining to any Alternative Proposal by the Board of Directors, if applicable, in compliance with the recommendation (except in cases where the Board of Directors determines that compliance with the recommendation may violate their duty of care). Subsequently, it will promptly convene a General Meeting of Shareholders for shareholders to decide whether or not to implement the countermeasures.

Meanwhile, in the event that the Special Committee issues a recommendation for the Resolution Confirming the Non-Implementation of Countermeasures in response to the Takeover Proposal, the Board of Directors of the Company will respect this recommendation to the maximum extent and subsequently reach a final decision on whether or not to adopt the Resolution Confirming the Non-Implementation of Countermeasures. However, even in light of the Special Committee's recommendation for the Resolution Confirming the Non-Implementation of Countermeasures, if the Board of Directors of the Company determines that the Takeover Proposal will not contribute to maintaining and enhancing the common interests of the Company's shareholders, it will promptly convene a General Meeting of Shareholders for shareholders to decide whether or not to implement the countermeasures.

- (4) Takeover proposer's request regarding proposal set forth in Article 6, paragraph 3 of the Articles of Incorporation

If a takeover proposer, who satisfies the requirements set forth in the resolution of the Board of Directors, makes a written request to the Board of Directors to hold a General Meeting of Shareholders as stated in Article 6, paragraph 3 of the Articles of Incorporation regarding their Takeover Proposal, the Board of Directors shall, following consultation with the Special Committee, convene a General Meeting of Shareholders, with this matter designated as a proposal to be resolved, within a reasonable timeframe necessary to hold the General Meeting of Shareholders. However, this shall not be applicable in case of the adoption of the Resolution Confirming the Non-Implementation of Countermeasures in response to the Takeover Proposal. Moreover, if the Resolution Confirming the Non-Implementation of Countermeasures is adopted subsequent to the commencement of the procedures for convening the General Meeting of Shareholders, or in other instances determined by the Board of Directors, the procedures for convening the General Meeting of Shareholders shall be suspended accordingly. In addition to the above, the Board of Directors may, at its own discretion, convene a General Meeting of Shareholders to present the proposal described above.

- (5) Procedures for confirming shareholders' will

If, either at the request of a takeover proposer or at the discretion of the Board of Directors, procedures are initiated to convene a General Meeting of Shareholders for presenting a proposal as specified in Article 6, paragraph 3 of the Articles of Incorporation in response to a specific Takeover Proposal (except in cases where the procedures are suspended prior to the date of the General Meeting of Shareholders due to failure to satisfy the requirements stipulated in the resolution of the Board of Directors or for other reasons), the Board of Directors of the Company may implement countermeasures under the Plan only if a resolution approving such implementation under the Plan in response to such Takeover Proposal is adopted at the meeting attended by shareholders holding a majority of voting rights of shareholders entitled to exercise voting rights, with approval by a majority of the voting rights of all shareholders present, in accordance with the provision of the aforementioned paragraph.

- (6) Board of Directors' resolution on countermeasure implementation

If the implementation of countermeasures or delegation of such implementation to the Board of Directors of the Company is resolved at the General Meeting of Shareholders, or if the Board of Directors is authorized to pass a resolution to implement countermeasures in accordance with the Plan, the Board of Directors will request the Specified Acquirer to withdraw from the purchase described in the Takeover Proposal Statement. If the Specified Acquirer does not withdraw from the purchase, the countermeasures, including the gratis allotment of the Stock Acquisition Rights, shall be promptly implemented and disclosed to shareholders accordingly.

If any of the following events occur after the resolution for the gratis allotment of stock acquisition rights, the Board of Directors of the Company may adopt a resolution to cancel the gratis allotment of the Stock Acquisition Rights before the exercise period of the Stock Acquisition Rights commences, and to acquire the Stock Acquisition Rights without consideration after the gratis allotment takes effect, respectively.

- 1) If the Specified Acquirer withdraws from the purchase subsequent to the resolution for the gratis allotment of the Stock Acquisition Rights, or if the purchase itself otherwise ceases to exist; and
- 2) If any trigger events for countermeasures cease to exist due to changes in the facts upon which the resolution for the gratis allotment of the Stock Acquisition Rights was based, or for other reasons.

- (7) Summary of gratis allotment of Stock Acquisition Rights

A summary of the gratis allotment of the Stock Acquisition Rights set for implementation under the Plan is as follows:

- 1) Number of Stock Acquisition Rights



The number of Stock Acquisition Rights to be allotted shall be equal to the most recent total number of outstanding shares in the Company (excluding the number of common shares held by the Company at the record date of allotment) as of a specified date (below, the “Allotment Record Date”), as determined separately by a resolution of the Company’s Board of Directors or by a resolution of the General Meeting of Shareholders (below, the “Gratis Allotment Resolution”) concerning the gratis allotment of the Stock Acquisition Rights.

2) Shareholders eligible for allotment

The Company will allot the Stock Acquisition Rights to shareholders, excluding itself, who are listed or recorded in the Company’s most recent register of shareholders on the Allotment Record Date, at a ratio of one Stock Acquisition Right for each share they hold in the Company.

3) Effective date of gratis allotment of Share Acquisition Rights

The effective date of the gratis allotment of the Share Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

4) Class and number of shares under Share Acquisition Rights

The class of shares under the Share Acquisition Rights shall be common shares of the Company, with each Stock Acquisition Right entitling the holder to one common share in the Company (below, the “Number of Acquisition Right Shares”).

5) Amount of assets to be contributed upon exercise of Stock Acquisition Rights

The type of assets to be contributed upon exercise of the Stock Acquisition Rights shall be money and the amount of assets to be contributed upon exercise of the Stock Acquisition Rights per common share of the Company shall be the amount separately determined by the Board of Directors of the Company in the Gratis Allotment Resolution provided that this amount shall not be less than ¥1.

6) Exercise period of Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights shall fall within a range of one to six months, as determined by the Board of Directors of the Company in the Gratis Allotment Resolution, commencing on the effective date of the gratis allotment of the Stock Acquisition Rights. However, if the Company acquires the Stock Acquisition Rights as per 9) (a) below, the exercise period of the Stock Acquisition Rights pertaining to such acquisition rights shall extend until the business day immediately preceding the date of such acquisition. If the last day of the exercise period falls on a holiday at the location processing payments due upon exercise, the exercise period shall end on the preceding business day.

7) Exercise conditions for Stock Acquisition Rights

As a general rule, the following parties may not exercise the Stock Acquisition Rights: (a) Specified Acquirers; (b) Joint holders of Specified Acquirers; (c) Specially related parties of Specified Acquirers; (d) Parties holding the Company’s shares or the Stock Acquisition Rights on behalf of Specified Acquirers; (e) Any transferees of, or successors to, Stock Acquisition Rights from any party falling under (a) through (d) above without the approval of the Board of Directors of the Company; and (f) Any affiliated parties of any party falling under (a) through (e) above. (An “affiliated party” of a party refers to any investment bank, securities company, or other financial institution that has entered into a financial advisory agreement with said party; any party who shares a substantial interest with the foregoing; a tender offer agent, attorney, accountant, tax accountant, or other advisor; or any other party recognized by the Board of Directors as being substantially controlled by or acting jointly or in coordination with the foregoing. Additionally, the substantial identity of fund managers and other circumstances will be considered in determining an “affiliated party” associated with a partnership or other fund. The parties falling under (a) through (f) above are collectively referred to as the “Non-Qualified Parties.”)

If holders of stock acquisition rights are required, when exercising the Stock Acquisition Rights under applicable foreign laws and regulations, to (i) execute prescribed procedures, (ii) satisfy prescribed conditions (including the prohibition of exercise for a designated period and the submission of prescribed documents), or (iii) fulfill both (i) and (ii) (including cases where the Company is required to execute the procedures or satisfy the conditions set forth in (i) through (iii) above), said holders of stock acquisition rights may exercise the Stock Acquisition Rights only if all such procedures and conditions have been executed or satisfied. Even if said holders of

stock acquisition rights may exercise the Stock Acquisition Rights, provided that the Company executes the procedures or satisfies the conditions described above, the Company shall not bear any obligation for such execution or satisfaction.

8) Restrictions on transfer of Share Acquisition Rights

Any transfer of the Stock Acquisition Rights shall be subject to the approval of the Board of Directors of the Company.

9) The Company's acquisition of Stock Acquisition Rights

(a) The Company may acquire, at a date separately determined by the Board of Directors of the Company, all the Stock Acquisition Rights without any consideration, at any time up to the day before the exercise period of the Stock Acquisition Rights commences, in accordance with the provisions of the Gratis Allotment Resolution, provided that the Board of Directors of the Company deems it appropriate for the Company to acquire the Stock Acquisition Rights.

(b) At a date separately determined by the Board of Directors of the Company, the Company may acquire all the Stock Acquisition Rights held by parties, excluding the Non-Qualified Parties, which remain unexercised until the day preceding the date determined by the Board of Directors of the Company. In exchange, the Company may deliver its common shares corresponding to the Number of Acquisition Right Shares for each Stock Acquisition Right. In addition, if, on or after said acquisition date, the Board of Directors of the Company identifies any parties holding the Stock Acquisition Rights, excluding the Non-Qualified Parties, the Company may acquire all the Stock Acquisition Rights held by such parties, which remain unexercised until the day preceding the date determined by the Board of Directors of the Company, at a date determined by the Board of Directors, which should be later than the date of the aforementioned acquisition. In exchange, the Company may deliver its common shares corresponding to the Number of Acquisition Right Shares for each Stock Acquisition Right. The same shall apply thereafter.

When acquiring the Stock Acquisition Rights held by the Non-Qualified Parties, the Company does not intend to provide any form of economic benefits, such as money, as consideration for the acquisition.

10) Issuance of stock acquisition rights certificates

The Company will not issue certificates for the Stock Acquisition Rights.

11) Others

Further details regarding the Stock Acquisition Rights and gratis allotment, in addition to the above, shall be separately specified in the Gratis Allotment Resolution.

(8) Effective Period, abolition, and change of the Plan

The Plan shall remain effective until the conclusion of the first meeting of the Board of Directors to be held after the 76th Annual General Meeting of Shareholders, scheduled to take place by June 30, 2027. After three years from the introduction of the Plan, the Company will convene a General Meeting of Shareholders to seek their approval, as necessary, for a review of each condition of the Plan and other relevant aspects, ensuring that the shareholders' will is directly reflected in the Plan. However, even before the lapse of the Effective Period, if a resolution to abolish the Plan is adopted at a General Meeting of Shareholders, or if a resolution to amend or abolish the Plan is passed by the Board of Directors of the Company, it shall be amended or abolished accordingly. Therefore, the Plan may be abolished at any time to align with the intentions of shareholders.

Furthermore, for the purpose of ensuring and enhancing the common interests of shareholders, the Board of Directors of the Company may, within the constraints of the Plan's overall objectives and as deemed reasonably necessary based on amendments to laws and regulations, judicial decisions, social trends, and the views of the financial instruments exchange where the Company is listed, as well as other public institutions, modify or amend the Plan before the lapse of the Effective Period, following consultation with the Special Committee.

If a resolution is passed to abolish, modify, or amend the Plan, the Company will disclose the details of such abolition, modification, or amendment, along with any other relevant matters, to shareholders in a timely and appropriate manner, in accordance with applicable laws and regulations.

#### IV. Impacts on shareholders and investors and procedures for exercising Stock Acquisition Rights

1. Impacts on shareholders and investors upon introducing the Plan

Upon the introduction of the Plan, the Stock Acquisition Rights themselves will not be issued. Consequently, the Plan will have no impact on the rights and interests of shareholders and investors of the Company.

2. Impact on shareholders and investors upon gratis allotment of Stock Acquisition Rights

(1) Impact on the Company's shareholders and investors

At the time of the gratis allotment of the Stock Acquisition Rights, the Company will allot the rights without consideration to shareholders listed or recorded as of the Allotment Record Date, as separately determined by the Board of Directors of the Company in the Gratis Allotment Resolution, at a ratio of one stock acquisition right for each share held by shareholders. No special application procedures need to be followed by shareholders, as they will automatically become holders of the Stock Acquisition Rights upon the effective date of the gratis allotment of said Stock Acquisition Rights.

However, if shareholders fail to follow the procedures for exercising the Stock Acquisition Rights as detailed in (2) below, including making monetary payment within the subsequent exercise period, the value of the Company's shares as a whole will be diluted as a result of other shareholders exercising their Stock Acquisition Rights.

The Company may, based on a decision by the Board of Directors of the Company, acquire the Stock Acquisition Rights from shareholders, excluding the Non-qualified Parties, in accordance with the procedures set in (2) iii) below, and deliver its shares in exchange. If the Company follows said acquisition procedures, shareholders, excluding the Non-qualified Parties, will receive common shares of the Company without exercising their Stock Acquisition Rights or making monetary payment equivalent to the exercise price, and there will be no dilution in the value of the Company's shares held by them as a whole, in principle.

Additionally, after the ex-rights date subsequent to the determination of shareholders eligible for the gratis allotment of the Stock Acquisition Rights, the Company may cancel the allotment of the Stock Acquisition Rights by the day before the exercise period of the Stock Acquisition Rights commences, or acquire the Stock Acquisition Rights without any consideration after the gratis allotment of the Stock Acquisition Rights takes effect. In this case, there will be no dilution in the per-share value, but investors who traded under the assumption of such dilution may incur corresponding losses due to fluctuations in the share price.

(2) Procedures for exercising Stock Acquisition Rights

i) Recording or listing in shareholders' register

If the Company implements the gratis allotment of the Stock Acquisition Rights, the Board of Directors of the Company will publicly announce the Allotment Record Date of the Stock Acquisition Rights. The stock acquisition rights will be allotted without any consideration to shareholders listed or recorded in the Company's final register of shareholders as of the Allotment Record Date. Shareholders not yet listed or recorded in the shareholders' register are required to promptly take procedures to have their names listed or recorded in the shareholders' register.

ii) Procedures for exercising Stock Acquisition Rights

The Company will mail an exercise request form for the Stock Acquisition Rights in a form prescribed by the Company (containing necessary details such as the terms and number of the Stock Acquisition Rights to be exercised, the exercise date for the Stock Acquisition Rights, and covenants confirming that shareholders themselves are not Non-Qualified Parties, as well as information regarding the account for book-entry transfer of the Company's common shares, if applicable) and other necessary documents for the exercise of stock acquisition rights to shareholders listed or recorded in the Company's final register of shareholders on the Allotment Record Date.

Shareholders will be issued one common share of the Company for one Stock Acquisition Right, provided they submit the documents mentioned above during the exercise period following the gratis allotment of Stock Acquisition Rights, and pay to the designated bank processing payments in the amount specified in the Gratis Allotment Resolution of the

Company's Board of Directors, ranging between ¥1 and any amount equivalent to 50% of the fair value of one Stock Acquisition Right.

iii) Procedures for the Company's acquisition of Share Acquisition Rights

If the Board of Directors of the Company decides to acquire the Stock Acquisition Rights, the Company may acquire the Stock Acquisition Rights on a day separately determined by the Board of Directors of the Company in accordance with statutory procedures. In this decision, shareholders holding the Stock Acquisition Rights will receive, as a general rule, one common share of the Company for each Stock Acquisition Right as consideration for the Company's acquisition of said Stock Acquisition Rights, without paying an amount equivalent to the exercise price.

For this purpose, said shareholders may be separately requested to submit a written undertaking in a form prescribed by the Company, including representations and warranties confirming that shareholders themselves are not Non-Qualified Parties, indemnity clauses, and other covenants, as well as information regarding the account for book-entry transfer of the Company's common shares.

In addition to the above, the Company will disclose information to shareholders in a timely and appropriate manner, in accordance with applicable laws and regulations, regarding the particulars of methods for allotting and exercising the Stock Acquisition Rights, as well as for the Company's acquisition following the approval of the Gratis Allotment Resolution. Therefore, we kindly request that shareholders confirm these details accordingly.

V. Rationale of the Plan

The Plan satisfies the three principles set out in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests"—1. Principle of protecting and enhancing corporate value and shareholders' common interests, 2. Principle of prior disclosure and shareholders' will, and 3. Principle of ensuring the necessity and reasonableness of defensive measures—released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, as presented below. The Plan also takes into account the report on "Takeover Defense Measures in Light of Recent Environmental Changes" published on June 30, 2008 by the Corporate Value Study Group, a group set up under the Ministry of Economy, Trade and Industry, Principle 1.5 Anti-Takeover Measures in Japan's Corporate Governance Code, which was implemented on June 1, 2015, subsequent to the amendments to the Securities Listing Regulations by the Tokyo Stock Exchange, and the "Guidelines for Corporate Takeovers" released by the Ministry of Economy, Trade and Industry on August 31, 2023. Complemented by other additional practices and discussions regarding takeover response policy, the Plan is marked by a high degree of rationality.

1. Ensuring and enhancing shareholders' common interests

Upon the introduction of the Plan, the Stock Acquisition Rights themselves will not be issued. Consequently, the Plan will have no impact on the rights and interests of shareholders and investors of the Company. The takeover response policy under the Plan is designed to facilitate the Company's shareholders in making an appropriate decision on whether or not to accept the large-scale purchase by requesting the Specified Acquirer to provide necessary information on the large-scale purchase in advance and to secure a period for consideration and discussion. Further, the measures enable the Board of Directors to present its opinion on the large-scale purchase or Alternative Proposal to shareholders of the Company in response to the recommendation by the Special Committee. Moreover, they empower the Board of Directors to engage in discussions with the takeover proposer on behalf of the shareholders of the Company. Thus, these measures continue to serve the purpose of ensuring and enhancing the common interests of shareholders of the Company.

2. Prior disclosure

The Company discloses the Plan in advance to enhance predictability for the Company's shareholders and investors as well as the Specified Acquirer, ensuring that they have the opportunity to make proper choices.

The Company will consistently deliver timely and appropriate disclosures as necessary in accordance with applicable laws and regulations, as well as the rules of the Financial Instruments Exchanges, going forward.

3. Valuing shareholders' will

The Company intends to ascertain the will of its shareholders regarding the Plan through a proposal for approval of the continued implementation of the takeover response policy adopted under the Plan at this Annual General Meeting of Shareholders.

4. Establishing a Special Committee and maximizing respect for its recommendations

If the Board of Directors decides to implement countermeasures, it shall establish a Special Committee consisting of the Company's external officers, as well as external experts, to ensure fair judgment and eliminate arbitrary decisions by the Board of Directors concerning the implementation of countermeasures and related matters under the Plan. The Board of Directors shall respect the recommendations of the Special Committee to the maximum extent when passing resolutions to implement countermeasures and related matters during meetings of the Board of Directors.

In addition, the Special Committee may, as necessary, appoint external experts (including attorneys, certified public accountants, financial advisors, or any other experts) in a third-party position independent from the Board of Directors of the Company to assist in fulfilling its duties. This approach will ensure objectivity and rationality in examining the recommendations provided by the Special Committee.

5. Securing external expert opinions by the Company's Board of Directors

As presented in III. (3) above, the Board of Directors of the Company shall seek advice, as necessary, from external experts (including attorneys, certified public accountants, financial advisors, or any other experts) in a third-party position independent from the Board of Directors to consider implementing countermeasures. This approach will ensure objectivity and rationality in the decisions made by the Board of Directors of the Company.

6. Confirming shareholders' will through Directors' election

The term of office of Directors of the Company has been determined to continue until the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within one year after their election. Therefore, the will of the Company's shareholders concerning the abolition of the Current Plan will be confirmed through the election of Directors at the Annual General Meeting of Shareholders each year.

7. No dead-hand type or slow-hand type takeover response policy

The Plan may be abolished at any time, either at the General Meeting of Shareholders or by the Board of Directors, consisting of Directors elected at the Company's General Meeting of Shareholders. Consequently, the Plan does not function as a dead-hand type takeover response policy (one that is unable to prevent implementation even if a majority of the Board Members are replaced), or as a slow-hand-type takeover response policy (one that requires time to prevent implementation due to the impracticality of replacing all Board Members simultaneously).



# Business Report

(From April 1, 2023 to March 31, 2024)

## 1. Current status of the corporate group

### (1) Business during the fiscal year under review

#### 1) Business progress and results

During the fiscal year under review (from April 1, 2023 to March 31, 2024), the Japanese economy began to show signs of recovery, and made steady progress toward a post-COVID-19 society as restrictions on activities and entry into Japan due to COVID-19 were eased, although uncertainties still remain, such as soaring prices of raw materials and inflation due to exchange rate fluctuations, as well as more pronounced effects of climate change. In particular, the record-setting heat wave that continued into late September delayed sales of fall products in the apparel industry as a whole. Meanwhile, soaring prices of raw materials and progressing devaluation of the yen forced apparel companies to continue to raise sales prices, creating a more pronounced disparity between brands in terms of price. Amid this environment, the Group was supported by strong inbound demand and the resumption of economic activities following the containment of the COVID-19 pandemic, resulting in record-high sales for the second consecutive fiscal year at 126,907 million yen.

By business category, sales for the lifestyle category, a product group in which the functionality of outdoor clothing is incorporated into daily fashion as represented by THE NORTH FACE, were 74,174 million yen, an 11.0% increase from the previous year. In addition, inbound demand expanded from East Asia to include customers from Europe, the Americas, and Southeast Asia, resulting in an increase in global demand in the fashion category, which includes THE NORTH FACE PURPLE LABEL and Goldwin 0, with sales increasing 22.0% from the previous year to 10,911 million yen. We recognize that this increase in sales in the lifestyle and fashion areas is a result of strong support from customers in the performance category.

By product, the sales peak of cold weather gear, such as our mainstay down jackets and fleece wear, was one or two months later than usual due to a mild winter. However, by maintaining regular sales prices even after entering the fourth quarter, we were able to sustain our brand value. Additionally, due to the heat wave, sales of functional wear including clothing that is moisture permeable, quick drying, heat retaining, and deodorizing were strong, and this contributed to stable full-year performance. With regard to trends by sales channel, sales were strong at both directly managed stores and wholesalers' physical stores.

Gross profit was 67,173 million yen, up 11.9% from the previous year. This was due to curbing excessive discount sales even as the yen continued to depreciate, resulting in a steady gross profit ratio of 52.9%, an increase of 0.7% over the previous year. In addition, although selling, general, and administrative expenses increased 13.6% from the previous year, these were absorbed by the effect of increased revenue, and operating profit increased by 8.9% from the previous year to 23,847 million yen, leading to a new record high.

Ordinary profit was 32,601 million yen, up 16.1% from the previous year, following the strong performance of YOUNGONE OUTDOOR Corporation, an equity-method affiliate.

Also, profit attributable to owners of parent was 24,281 million yen, up 15.7% from the previous year, thanks to the above efforts.

As a result, net sales and profit at each stage saw record highs for the fiscal year under review.

#### 2) Capital investment

There are no items to be noted.

#### 3) Financing

There are no items to be noted.

- 4) Business transfer, absorption-type split, or incorporation-type split  
Not applicable.
- 5) Acquisition of other company's business  
Not applicable.
- 6) Succession to rights and obligations related to the business of other corporations, etc., as a result of absorption-type merger or absorption-type split  
Not applicable.
- 7) Acquisition or disposal of shares, other equity, or stock acquisition rights, etc. of other companies  
There are no items to be noted.



## (2) Assets and profit and loss for the three most recent fiscal years

### 1) Trends in the corporate group's assets and profit and loss

(million yen)

Classification	70th fiscal year (Fiscal year ended March 31, 2021)	71st fiscal year (Fiscal year ended March 31, 2022)	72nd fiscal year (Fiscal year ended March 31, 2023)	73rd fiscal year (fiscal year under review) (Fiscal year ended March 31, 2024)
Net sales	90,479	98,235	115,052	126,907
Ordinary profit	15,984	20,285	28,083	32,601
Profit attributable to owners of parent	10,734	14,350	20,977	24,281
Earnings per share	236.64 yen	316.30 yen	465.69 yen	539.09 yen
Total assets	91,376	99,085	118,517	140,977
Net assets	52,916	63,411	80,056	100,170

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the 71st fiscal year, and the figures for each fiscal year from the 71st fiscal year onward are figures after applying the accounting standard and relevant ASBJ regulations.

### 2) Trends in the Company's assets and profit and loss

(million yen)

Classification	70th fiscal year (Fiscal year ended March 31, 2021)	71st fiscal year (Fiscal year ended March 31, 2022)	72nd fiscal year (Fiscal year ended March 31, 2023)	73rd fiscal year (fiscal year under review) (Fiscal year ended March 31, 2024)
Net sales	79,583	85,838	104,639	114,991
Ordinary profit	14,589	17,484	24,707	27,739
Profit	10,259	11,951	18,454	20,525
Earnings per share	226.17 yen	263.41 yen	409.68 yen	455.70 yen
Total assets	70,388	74,543	90,579	106,766
Net assets	34,896	42,065	54,788	69,085

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the 71st fiscal year, and the figures for each fiscal year from the 71st fiscal year onward are figures after applying the accounting standard and relevant ASBJ regulations.

### (3) Significant parent company and subsidiaries

1) Parent company

Not applicable.

2) Significant subsidiaries

Company name	Share capital (million yen)	Percentage of the Company's investment (%)	Principal business
BLACK & WHITE SPORTSWEAR CO., LTD.	45	100.0	Sales of sporting goods
WOOLRICH JAPAN INC.	100	100.0	Planning and sales of casual wear
nanamica inc.	60	96.7	Planning and sales of casual wear

### (4) Issues to be addressed

We are aiming to realize a new future for people and the planet by updating our common sense and rules through play, which is the origin of sports, and continually seeking the everchanging ideal image of people and nature.

To achieve this, we will always maintain an altruistic spirit as well as aim to sustainably enhance corporate value and regenerate the global environment.

The priority items of our five-year medium-term management plan, which starts in fiscal year ending March 31, 2025 (74th fiscal year), are as follows:

1) Global business promotion of the Goldwin brand

The Goldwin brand will continue to pursue business that coexists with nature, with a broad perspective on social and environmental issues.

We will develop the Goldwin brand around the world, not only in the domestic market but also in overseas markets, backed by the superiority of the Group's products.

2) Stable sustainable growth with a multi-brand strategy

We will develop products that focus on functionality and quality in each sector and establish brand positions to ensure customer satisfaction.

In addition, we will refine our multi-brand strategy and real demand-based business, and beyond the sports market, we will establish a position and presence in the lifestyle and fashion markets.

3) Establishing new businesses

In order to realize our corporate philosophy, we will pursue businesses related to "encounters" and "occasions" that provide rich experiences.

4) Investing in human capital

We will promote human capital management and foster human resources that serve as the source of our corporate value.

5) Strengthening corporate governance

To realize our corporate philosophy, we will continue to work on strengthening our organizational operations infrastructure.

We will maintain a strong financial foundation, optimize group operations and management, strengthen relations with our stakeholders, and implement agile organizational management.

6) CSR and compliance structure

In order to be recognized as a trustworthy and necessary company in society, we must meet the high needs and reliability of the products we handle, comply with corporate ethics and laws, and actively address environmental issues as well as our own social contribution activities as a group.

Backed by a strong financial foundation maintained through a solid financial strategy, the Company will work on the above measures to strengthen the revenue base of our brand business and improve corporate value.

**(5) Principal business (as of March 31, 2024)**

Sporting goods-related business

Outdoor-related brand products: mountaineering wear, marine wear, outdoor equipment and related products

Athletic-related brand products: training wear, tennis wear, fitness wear, swimwear, rugby wear, golf wear and related products

Winter-related brand products: ski wear, snowboard wear and related products

Others: functional underwear, high-tech wear (dustproof clothing), etc.

**(6) Principal sales offices and factories (as of March 31, 2024)**

## 1) The Company

Name	Location
Head Office	Oyabe City, Toyama
Headquarters	Shibuya-ku, Tokyo
Osaka Branch	Osaka City, Osaka

(Note) The headquarters relocated on May 7, 2024 from Shibuya-ku, Tokyo to Minato-ku, Tokyo.

## 2) Subsidiaries

Name	Location
BLACK & WHITE SPORTSWEAR CO., LTD.	Chiyoda-ku, Tokyo
WOOLRICH JAPAN INC.	Shibuya-ku, Tokyo
nanamica inc.	Shibuya-ku, Tokyo

(Note) WOOLRICH JAPAN INC. relocated on May 7, 2024 from Shibuya-ku, Tokyo to Minato-ku, Tokyo.

**(7) Employees (as of March 31, 2024)**

## 1) Employees of the corporate group

Business category	Number of employees	Change from the end of the previous fiscal year
Sporting goods-related business	2,997	20 increase

## 2) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average years of service
2,578	23 increase	45.1 years old	17.1 years

(Note) The number of employees excludes employees seconded from the Company to other companies and includes employees seconded from other companies to the Company.

**(8) Principal lenders (as of March 31, 2024)**

(million yen)

Lender	Loan amount
The Hokuriku Bank, Ltd.	438
Mizuho Bank, Ltd.	305
The Hokkoku Bank, Ltd.	290

**(9) Other important matters concerning the current status of the corporate group**

Not applicable.

## 2. Current status of the company

### (1) Status of shares (as of March 31, 2024)

- 1) Total number of authorized shares 184,000,000 shares
- 2) Total number of shares issued and outstanding 47,448,172 shares
- 3) Number of shareholders 9,803
- 4) Major shareholders (top ten)

Name of shareholder	Number of shares held (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,809	10.3
MITSUI & CO., LTD.	4,367	9.4
Korea Securities Depository Samsung	3,378	7.2
Korea Securities Depository Shinhan Investment	2,109	4.5
The Hokuriku Bank, Ltd.	1,980	4.2
Custody Bank of Japan, Ltd. (Trust Account E)	1,810	3.9
GOLDWIN Nishida Tosaku Sports Promotion Memorial Foundation	1,692	3.6
Custody Bank of Japan, Ltd. (Trust Account)	1,628	3.5
Nishida Machinery Co., Ltd.	1,624	3.5
The Hokkoku Bank, Ltd.	1,565	3.4

(Note) Shareholding ratio is calculated excluding treasury shares (724,890 shares).

Treasury shares do not include the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the transaction to deliver the Company's shares through a trust to employees, etc.

- 5) Shares delivered during the fiscal year under review to corporate officers as consideration for their execution of duties

The details of the share-based remuneration delivered during the fiscal year under review are as follows.

Classification	Number of Shares	Number of Grantees
Directors (excluding external Directors)	4,570 shares	6

(Note) More details regarding the Company's share-based remuneration are provided in "2. (3) 4) Remuneration, etc. for Directors and Auditors for the fiscal year under review."

### (2) Status of share acquisition rights, etc. (as of March 31, 2024)

Not applicable.

### (3) Corporate officers

#### 1) Directors and Auditors (as of March 31, 2024)

Position in the Company	Name	Responsibilities and significant concurrent positions outside the Company
Chairman and Director	Akio Nishida	Chairman Representative Director
President and Director	Takao Watanabe	President Representative Director
Director	Yoshiteru Nishida	Senior Corporate Adviser
Director	Eiichiro Homma	Executive Vice President President and Representative Director of nanamica inc.
Director	Michio Shirasaki	Chief Financial Officer
Director	Hikari Mori	Chief Operating Officer
Director	Yuko Moriguchi	External Director of The Ogaki Kyoritsu Bank, Ltd.
Director	Rie Akiyama	Outside Director and Audit & Supervisory Committee Member of Astellas Pharma Inc.
Director	Ichiro Yoshimoto	External Director of nobitel inc.
Director	Dai Tamesue	President of Athlete Society Representative Director of Deportare Partners Co., Ltd. Auditor of Japan Women's Empowerment Professional Football League
Full-time Auditor	Osamu Sato	
Auditor	Akiyuki Shiobara	
Auditor	Hidenao Yoichi	
Auditor	Tsutomu Morita	

- (Notes)
1. Four Directors, Yuko Moriguchi, Rie Akiyama, Ichiro Yoshimoto, and Dai Tamesue are external Directors.
  2. Three Auditors, Akiyuki Shiobara, Hidenao Yoichi and Tsutomu Morita, are external Auditors.
  3. The Company has designated four Directors Yuko Moriguchi, Rie Akiyama, Ichiro Yoshimoto, and Dai Tamesue, and three Auditors Akiyuki Shiobara, Hidenao Yoichi, and Tsutomu Morita as independent officers as stipulated by the Tokyo Stock Exchange, and has notified the exchange of such designation.

#### 2) Summary of details of limited liability agreement

Pursuant to Article 427, paragraph (1) of the Companies Act, each external Director and each Auditor has entered into an agreement with the Company to limit their liability for damages under Article 423, paragraph (1) of the said Act.

The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations.

#### 3) Summary of contents of officers' limited liability insurance agreement

The Company has concluded an officers' limited liability insurance agreement with an insurance company as stipulated in Article 430-3 of the Companies Act, which covers all officers (including subsidiary officers, etc.) and managerial employees. A summary of the contents of said agreement is as follows.

- Coverage is provided for dispute expenses and damages incurred by the insured as a result of corporate lawsuits, third-party lawsuits, shareholder derivative suits, etc.
- Coverage is not provided for damages caused by criminal acts, etc. by the insured, as a measure to ensure that the insured's performance of his/her duties is not impaired.
- The Company pays all premiums for this agreement.

4) Remuneration, etc. for Directors and Auditors for the fiscal year under review

- i) Matters pertaining to the policy for determining the amount of remuneration, etc., for Directors and Auditors or the method for calculating the amount of such remuneration, etc.

The Company's basic policy for the officer remuneration system is to provide a fair remuneration system that is commensurate with the roles and responsibilities of each officer and to promote the Company's sustainable growth and medium- to long-term enhancement of corporate value. From the viewpoint of objectivity, the remuneration system and levels are reviewed in light of economic conditions, and the Company's performance, the standards of other companies, and the nomination and dismissal of candidates for Director are determined by the meeting of the Board of Directors after deliberation by the Nomination/Compensation Committee, a majority of whose majority members are external officers.

The Nomination/Compensation Committee consists of three or more members who are primarily independent external Directors, and the Chairperson is elected by independent external Directors. The nomination, dismissal, remuneration, etc. of Directors is reported to the Board of Directors after deliberations.

In the fiscal year under review, seven meetings were held, and the seven members (of which, four are independent external Directors) deliberated the ideal personnel composition for Directors, new candidates for Director, and candidates for dismissal.

Specifically, remuneration for internal Directors consists of basic remuneration, performance-linked remuneration, and non-monetary remuneration, while external Directors, who are responsible for supervisory functions, are paid only basic remuneration in light of their duties.

The basic remuneration of the Company's Directors is a monthly fixed remuneration, which is paid in equal monthly installments. Basic remuneration is based on position and responsibilities.

Performance-linked remuneration is paid to internal Directors in equal monthly installments in the following fiscal year, with the aim of raising awareness of the need to improve performance in each fiscal year. The amount of performance-linked compensation shall be determined based on Company-wide performance for each fiscal year. Target performance indicators shall be reviewed from time to time based on the review by the Corporate Strategy and Planning Office in response to changes in the business environment.

Non-monetary remuneration is granted to internal Directors in the form of restricted shares for the purpose of motivating them to achieve sustainable growth and increase corporate value over the medium to long term, as well as to strengthen the sharing of value with shareholders. The number of shares to be granted shall be determined in consideration of position and responsibilities. The timing and conditions of granting specific compensation, etc. shall be determined by the Board of Directors after consultation with the Nomination/Compensation Committee. Accordingly, the Company has judged that the contents are in line with the determination policy.

The percentage of remuneration by type for internal Directors is determined by the Board of Directors after consultation with the Nomination/Compensation Committee. The ratio of remuneration by type is 70:15:15 (base remuneration: performance-linked (monetary remuneration): performance-linked (non-monetary remuneration)).

The amount of remuneration for each individual shall be determined by the Board of Directors, after consultation with the Nomination/Compensation Committee, within the maximum amount of compensation resolved at the General Meeting of Shareholders.

The maximum amount of remuneration for Directors was resolved at the 72nd Annual General Meeting of Shareholders held on June 28, 2023 to be an annual amount not exceeding 600 million yen (of which up to 50 million yen for external Directors, not including employee salaries). As of the conclusion of the said General Meeting of Shareholders, the number of Directors was ten (including four external Directors). In addition, separate from the abovementioned monetary remuneration, it has been resolved at the 70th Annual General Meeting of Shareholders held on June 24, 2021, that remuneration for granting restricted shares to Directors (excluding external Directors) will be in the form of monetary claims, with the total amount not exceeding 95 million yen per year (not including employee salaries of Directors concurrently serving as employees). As of the conclusion of the said General Meeting of Shareholders, the number of Directors was four.

The maximum remuneration for Auditors was resolved at the 65th Annual General Meeting of Shareholders held on June 23, 2016 to be an annual amount not exceeding 70 million yen. As of the conclusion of the said General Meeting of Shareholders, the number of Auditors was four (including three external Auditors).

In addition, the Company abolished the retirement benefits system for Directors and Auditors as of the conclusion of the 54th Annual General Meeting of Shareholders held on June 29, 2005.

ii) Total amount of remuneration, etc. by officer category, total amount of remuneration, etc. by type of remuneration, etc., and number of eligible officers

Officer category	Total amount of remuneration, etc. (million yen)	Total amount of remuneration, etc. by type of remuneration, etc. (million yen)			Number of eligible officers
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration claims	
Directors (Of which, external Directors)	406 (42)	288 (42)	64	53	10 (4)
Auditors (Of which, external Auditors)	42 (24)	42 (24)	–	–	5 (3)
Total (Of which, external officers)	448 (66)	330 (66)	64	53	15 (7)

- (Notes)
1. The total amount of remuneration, etc. of Auditors (excluding external Auditors), basic remuneration, and number of eligible officers include one Auditor who retired at the conclusion of the 72nd Annual General Meeting of Shareholders held on June 28, 2023.
  2. The total amount of remuneration, etc. of Directors does not include the portion of employee salaries of Directors concurrently serving as employees.
  3. The performance-linked remuneration (cash), the indicators of which vary depending on the company's performance, are net sales, operating income, and ordinary income, and the actual results are net sales of 126,907 million yen, operating income of 23,847 million yen, and ordinary income of 32,601 million yen. The reason for selecting these indicators is that the Company has set targets for net sales, operating income, and ordinary income for each fiscal year in its Medium-Term Management Plan (from April 2021 to March 2026), and has judged it appropriate to link them to these indicators. The Company's performance-linked compensation (cash) is calculated from the base amount for each position multiplied by a coefficient determined by a table approved by the Board of Directors based on the evaluation rank of company-wide performance.
  4. Non-monetary remuneration claims are the Company's shares and the conditions, etc. when granting shares are as described in "i) Matters pertaining to the policy for determining the amount of remuneration, etc., for Directors and Auditors or the method for calculating the amount of such remuneration, etc." In addition, the details of the shares delivered during the fiscal year under review are provided in "2. (1) 5) Shares delivered during the fiscal year under review to corporate officers as consideration for their execution of duties."

5) Matters related to external officers

- i) Significant concurrent positions at other companies and relationship between the Company and such companies

Director Yuko Moriguchi is an external Director of The Ogaki Kyoritsu Bank, Ltd. There is no special relationship between the Company and The Ogaki Kyoritsu Bank, Ltd.

Director Rie Akiyama is an outside Director and Audit & Supervisory Committee Member of Astellas Pharma Inc. There is no special relationship between the Company and Astellas Pharma Inc.

Director Ichiro Yoshimoto is an external Director of nobitel inc. There is no special relationship between the Company and nobitel inc.

Director Dai Tamesue is Representative Director of Deportare Partners Co., Ltd., President of Athlete Society, and Auditor of Japan Women's Empowerment Professional Football League. There is no special relationship between the Company and Deportare Partners Co., Ltd., Athlete Society, and Japan Women's Empowerment Professional Football League.

- ii) Status of main activities during the fiscal year under review and summary of duties performed in relation to expected roles

Director Yuko Moriguchi	Attended 17 of the 17 meetings of the Board of Directors held during the fiscal year under review, and asked questions, expressed opinions, and made other comments as appropriate based on her wealth of experience and insight gained over many years as a professional athlete. As a member of the Nomination/Compensation Committee, she deliberated from an objective perspective on personnel matters of the Representative Director and Directors and the composition of their remuneration.
Director Rie Akiyama	Attended 17 of the 17 meetings of the Board of Directors held during the fiscal year under review, and asked questions, expressed opinions, and made other comments as appropriate based mainly on her extensive experience and deep insight as a legal expert. In addition, she strengthens the governance system as Chairman of the Governance Committee. As a member of the Nomination/Compensation Committee, she deliberated from an objective perspective on personnel matters of the Representative Director and Directors and the composition of their remuneration.
Director Ichiro Yoshimoto	Attended 17 of the 17 meetings of the Board of Directors held during the fiscal year under review, and asked questions and expressed his opinions as appropriate based on his abundant experience and insight cultivated over many years as a corporate manager. As Chairperson of the Nomination/Compensation Committee, he deliberated from an objective perspective on personnel matters of the Representative Director and Directors and the composition of their remuneration.
Director Dai Tamesue	Attended 17 of the 17 meetings of the Board of Directors held during the fiscal year under review, and asked questions and expressed his opinions as appropriate based on his abundant experience and insight cultivated over many years as an athlete. As a member of the Nomination/Compensation Committee, he deliberated from an objective perspective on personnel matters of the Representative Director and Directors and the composition of their remuneration.
Auditor Akiyuki Shiobara	Attended 17 of the 17 meetings of the Board of Directors and 16 of the 16 meetings of the Board of Auditors held during the fiscal year under review, and asked questions, expressed opinions, and made other comments as appropriate based on his extensive knowledge and experience accumulated mainly in related industries from his background as a major trading company.
Auditor Hidenao Yoichi	Attended 17 of the 17 meetings of the Board of Directors and 16 of the 16 meetings of the Board of Auditors held during the fiscal year under review, and asked questions, expressed opinions, and made other comments as appropriate based on his extensive knowledge and experience accumulated mainly in related industries from his background as a major trading company.
Auditor Tsutomu Morita	Attended 17 out of 17 meetings of the Board of Directors and 16 out of 16 meetings of the Board of Auditors held during the fiscal year under review, and asked questions, expressed opinions, and made other comments as appropriate based mainly on his abundant experience and deep insight as a bank manager.

(4) Status of financial auditor

1) Name Ernst & Young ShinNihon LLC

2) Amount of remuneration, etc.

(million yen)

	Amount paid
• Amount of remuneration as financial auditor for the fiscal year under review	49
• Total amount of money and other financial benefits payable by	52



(Note) Because the audit contract between the Company and the financial auditor does not distinguish the amount of audit fees for audits based on the Companies Act and those for audits based on the Financial Instruments and Exchange Act, the amount of remuneration, etc. as financial auditor for the fiscal year under review includes the amount of remuneration for audits, etc. based on the Financial Instruments and Exchange Act.

- 3) Reasons for the consent of the Board of Auditors to the remuneration, etc. of the financial auditor  
The Board of Auditors has obtained the necessary materials and reports from the Directors, related internal departments, and the financial auditor, and based on the analysis and evaluation of the audit plan and audit results for the previous fiscal year, has verified the appropriateness and reasonableness of the audit time and staffing plan and estimates of compensation in the audit plan for the fiscal year under review, and has given its consent regarding the amount of remuneration, etc. of the financial auditor.
- 4) Policy on dismissal or non-reappointment of the financial auditor  
If the financial auditor is found to fall under any of the items of Article 340, paragraph (1) of the Companies Act, the Board of Auditors will dismiss the financial auditor with the unanimous consent of the Auditors.  
In addition to the above cases, if it is deemed difficult for the accounting auditor to properly perform his or her duties, the Board of Corporate Auditors shall decide on the content of a proposal for the dismissal or non-reappointment of the accounting auditor, and the Board of Directors shall submit such proposal to the General Meeting of Shareholders based on such decision.

#### **(5) System to ensure the appropriateness of business operations**

In order to realize our management strategy mission as stated in our management policy, the tagline “SPORTS FIRST” and Code of Conduct by all officers and employees of the Goldwin Group, we have established an appropriate organization, rules and regulations, communicate information and monitor business execution, and we have established and maintains an internal control system as a framework. The internal control system is reviewed and improved as necessary to establish a system to execute business legally and efficiently.

##### **I. Basic policy for internal control**

The basic policy regarding the development of systems necessary to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries (below, the “Group”) is as follows.

1. System to ensure that the execution of duties by Directors and employees of the Group complies with laws and regulations and the Articles of Incorporation  
The Group shall ensure that the execution of duties by Directors and employees complies with laws and regulations by establishing a thorough compliance and monitoring system. In addition, the Company’s Directors and employees do not have any relationship with any antisocial forces.
  - (1) The Board of Directors makes decisions on important matters and supervises the execution of duties by Directors in accordance with laws and regulations, the Articles of Incorporation, the Regulations of the Board of Directors, and other internal regulations.
  - (2) Directors execute their duties in accordance with the roles determined by the Board of Directors and in accordance with laws and regulations, the Articles of Incorporation, resolutions of the Board of Directors, and internal regulations.
  - (3) The Company has adopted a corporate officer system to strengthen the decision-making and supervisory functions of the Board of Directors and to improve the efficiency of business execution. Corporate Officers execute their duties under the authority of the Board of Directors and the Representative Director, based on decisions made by the Board of Directors.
  - (4) Auditors audit the appropriateness of the execution of duties by Directors in accordance with the Regulations of the Board of Auditors and the Standards for Audits by Auditors.

- (5) The Company has established a whistle-blowing system for the detection of violations of laws, the Articles of Incorporation, and internal regulations, and all officers and employees are informed of the system.
  - (6) The Office of Internal Audits, which reports directly to the President at the headquarters, has been established to conduct periodic internal audits of the Group's overall operations in accordance with the Internal Audit Regulations to ensure compliance with laws and regulations, the Articles of Incorporation, and internal regulations, and the appropriateness of procedures and content of the execution of duties.
  - (7) With regard to the internal control over financial reporting of the Group, we are enhancing the system to evaluate, maintain, and improve the internal control based on the Financial Instruments and Exchange Act and other applicable domestic and foreign laws and regulations. In addition, the Company strives to ensure the appropriateness of its financial reporting by implementing checks and balances through segregation of duties and daily monitoring in the execution of its own operations.
  - (8) The Company conducts annual compliance training for all employees to ensure that they comply with laws and regulations, the Articles of Incorporation, and internal rules.
2. System for storage and management of information related to execution of duties by Directors
- Information related to the execution of duties by Directors shall be properly stored and managed in accordance with laws, regulations, and internal rules.
- (1) In accordance with the Document Handling Regulations and other internal regulations, Directors appropriately store and manage important information related to the execution of duties by Directors, such as minutes of General Meeting of Shareholders, meetings of the Board of Directors, Executive Management Meeting, and other meetings where Directors are involved in making decisions, and approval documents. The important information is accessible to Directors and Auditors at any time.
  - (2) Directors collect information to be disclosed promptly and comprehensively, and disclose it appropriately and accurately in a timely manner in accordance with laws and regulations.
3. Regulations and other systems for managing the risk of loss
- We will manage the risks of the entire Group in an integrated manner to prevent the occurrence of risk of loss. We will take all possible measures to minimize the loss in the event that a risk of loss should occur.
- (1) In order to deal with various risks, we have established various internal committees and responsible departments, as well as necessary risk management systems and methods, such as various management regulations, risk management standards, transaction limits, and reporting and monitoring systems, to comprehensively manage risks.
  - (2) From the viewpoint of ensuring the reliability of financial reporting, the Company promotes the development and operation of internal control over financial reporting.
4. System to ensure the efficient execution of duties by Directors
- We will ensure the efficiency of the execution of duties by Directors by establishing a group corporate philosophy, clarifying the group management plan, and conducting appropriate business management of the Group.
- (1) Directors make necessary decisions in accordance with the organization and procedures stipulated in the Regulations of the Board of Directors, Executive Management Meeting Regulations, Subsidiary Management Regulations, Regulations for Handling Requests for Approval, and other internal rules. These rules and regulations are reviewed as necessary or as needed for improvement.
  - (2) In addition to regular monthly meetings of the Board of Directors, extraordinary meetings of the Board of Directors are held as necessary to ensure flexibility in the execution of duties by Directors.

- (3) Directors hold an Executive Management Meeting attended by Corporate Officers and other employees in order to efficiently execute business operations based on the policies of the Board of Directors, and make decisions on business operations in a timely and more realistic manner.
  - (4) Every year, the Governance Committee evaluates the effectiveness of the Board of Directors based on questionnaires from all Directors and Auditors. In addition, when analyzing the questionnaires, we obtain advice from external organizations to increase the transparency of evaluation. In the fiscal year under review, the Company conducted a questionnaire in January 2024, and confirmed that it has ensured effectiveness.
  - (5) Various committees are set up for each important management theme as a complement to the management execution.
  - (6) To ensure appropriate and efficient execution of duties, the authority and responsibilities of each officer are clarified.
5. System to ensure the appropriateness of operations in the Goldwin Group
- We will ensure that the Group's corporate philosophy and management policies permeate each company, that compliance is thorough, and that operations are appropriate.
- (1) With respect to the management of subsidiaries, while respecting their autonomy, we share the basic ideas expressed in the Goldwin Group's Corporate Philosophy, Management Policy, and Corporate Code of Conduct, and other relevant documents.
  - (2) The Company manages the management of its subsidiaries in accordance with the Subsidiary Management Regulations, Regulations for Handling Requests for Approval, and other internal rules, and ensures the appropriateness of operations between the Company and its subsidiaries.
  - (3) The Company has established rules for reporting and discussing important information, and pursues risk management and efficiency throughout the Group.
  - (4) Auditors and the Office of Internal Audits conduct regular internal audits of subsidiaries to check the legality, appropriateness, and efficiency of their business operations. The results are reported to the Representative Director, the Director in charge, or the Board of Auditors, depending on the level of importance.
  - (5) The Officer (Director or Corporate Officer) in charge of a subsidiary gains an understanding on the status of the system to ensure the appropriateness of operations of the subsidiary from time to time, and reports to the Board of Directors as necessary.
6. System concerning employees to assist the duties of Auditors and matters concerning the independence of such employees
- When Auditors request employees to assist them in their duties, employees with sufficient reliability, experience, and expertise shall be appointed as full-time employees.
- (1) In the event that an Auditor requests the appointment of employees to assist him or her in the performance of his or her duties in order to enhance the effectiveness of his or her duties and ensure the smooth execution of audit duties, the Company stipulates that employees with sufficient experience and knowledge to perform the duties shall be appointed on a full-time basis.
  - (2) In order to ensure the independence of employees assisting the Auditors, it is stipulated that decisions regarding personnel matters and authority, including the appointment and transfer of employees assisting the Auditors shall be made with the prior consent of the Board of Auditors.
7. System for Directors and employees to report to Auditors and other systems related to reporting to Auditors
- We will ensure that the Directors and employees of the Group have the opportunity and structure to appropriately report to the Auditors on the status of the execution of their duties.
- (1) The Company stipulates that Directors and employees shall report the following matters to Auditors.
    - 1) Important matters resolved by the Board of Directors and the Executive Management Meeting
    - 2) Matters that may cause significant damage to the company
    - 3) Important monthly business conditions
    - 4) Status and results of internal audits

- 5) Serious violations of laws, regulations, or the Articles of Incorporation
  - 6) Status and details of reporting through the internal whistle-blowing system
  - 7) Important compliance matters
  - (2) Matters that the Auditors deem necessary to be reported in the performance of their duties in addition to the above
8. Other systems to ensure that Auditors perform audits effectively
- (1) Auditors attend meetings of the Board of Directors, the Executive Management Meeting, and other important decision-making meetings as requested by the Auditors.
  - (2) Auditors hold regular hearings or meetings with Directors, Corporate Officers, Directors of subsidiaries, and other necessary employees in accordance with the audit policy and audit plan determined by the Board of Auditors.
  - (3) It is stipulated that the Office of Internal Audits shall cooperate with the Auditors in conducting audits when requested.
  - (4) The Company ensures that no person who reports to the Auditors shall be treated disadvantageously because of such report.
  - (5) The Company sets aside a certain budget each year to pay expenses incurred by Auditors in the performance of their duties. In addition, when an Auditor makes a request for advance payment of expenses incurred in the performance of his or her duties, the Company stipulates that such expenses or liabilities shall be promptly paid if the request is deemed justifiable.
9. Basic policy and status of establishment for the elimination of antisocial forces
- (1) The Company's Code of Conduct requires the Group to sever all relationships with antisocial forces and groups that threaten the order and safety of civil society, and to firmly reject any unreasonable demands by antisocial forces.
  - (2) The Group has established and strengthened a system for eliminating antisocial forces by designating a department to oversee antisocial forces, collecting and managing information within the Group, and cooperating with the police, organizations for the expulsion of organized crime groups, lawyers, and others.
- II. Outline of operation of systems to ensure appropriateness of operations
1. Overview of the operation of the internal control system
- (1) Execution of duties by Directors
    - 1) The Company clarifies the rules for decision-making, including matters to be resolved by the Board of Directors, in accordance with the Regulations of the Board of Directors. The Board of Directors meets at least once a month, and the four external Directors and three external Auditors, based on their professional knowledge and abundant experience, express their frank opinions at the Board of Directors meetings as appropriate, thereby fulfilling the functions of supervision and checks on management and business execution. The Board of Directors met 17 times this fiscal year.
    - 2) The Company has introduced a corporate officer system for the purpose of implementing strategies flexibly and clarifying executive responsibilities, thereby ensuring efficient decision-making.
    - 3) Regarding the management status of the Company's subsidiaries, the Officer (Director or Corporate Officer) in charge plays a central role in receiving reports on the status of achievement of business plans through interviews and other means, and confirms the status of management on a regular basis. The results are reported to the Board of Directors.
  - (2) Compliance
    - 1) The Group has established a Code of Conduct, and under the leadership of the Compliance Department, conducts annual compliance training for all employees to ensure that they are fully aware of the Code. The training was completed for all employees through a web-based learning management system.

- 2) The Office of Internal Audits confirms compliance with operational procedures and manuals through internal audits and internal control assessments, and points out and recommends corrective actions to the relevant departments whenever deficiencies are found. The deficiencies identified are corrected by the relevant departments, and the Office of Internal Audits also confirms the results of the corrective actions.
  - 3) The Group has established regulations regarding the whistle-blowing system, and has in place a system that allows direct reporting and consultation with the Compliance Department, as well as with outside attorneys or social insurance and labor consultants.  
The whistle-blowing system protects the anonymity of whistle-blowers and prohibits them from being treated unfavorably.
  - 4) External Directors and external Auditors provide their opinions from an independent and objective standpoint at meetings of the Board of Directors and Board of Auditors, thereby ensuring the legality and appropriateness of the execution of duties.
- (3) Risk management
- 1) The Group has established the Risk Management Regulations that stipulate the purpose, structure, and methods of risk management, and Emergency Action Procedures that define the procedures to be followed in the event of a crisis, which are communicated to all Group companies.  
In addition, the Group compiles risks of high importance in a Risk Catalog and implements preventive measures in accordance with the degree of impact.
  - 2) We have a mission to contribute to the stability of society and local communities and fulfill our social responsibility and role through business continuity, while placing the highest priority on ensuring the safety of employees and their families. In order to establish an organizational structure and response measures that enable rapid recovery and restart of business in the event of an emergency, we have formulated and operated a Business Continuity Plan (BCP) and are implementing continuous updates.
  - 3) In the event that new significant risks are expected to emerge, the Group's Board of Directors or the Executive Management Meeting will review the situation and take preventive measures.
- (4) Execution of duties by Auditors
- In accordance with the audit plan established by the Board of Auditors, all Auditors attend Board of Directors meetings to audit compliance with laws, regulations, and the Articles of Incorporation, management decision-making processes, and the maintenance and operation of the internal control environment, and express their opinions as necessary.
- Full-time Auditors also attend the Executive Management Meeting, Governance Committee, ESG Management Committee, and other important meetings.
- In addition, Auditors (and external Auditors and external Directors as appropriate) conduct on-site inspections and interviews with business and administrative divisions, offices, and self-managed stores, as well as with affiliated companies. Based on the findings and impressions obtained through such audit activities, they exchange opinions with the Directors of the Company and of its affiliated companies, and make recommendations as necessary.
- In addition, in order to grasp the status of group governance and confirm the operation of internal controls, etc., the Company holds meetings of the Board of Auditors of Group companies to exchange opinions and information with the Auditors of affiliated companies, and works closely with the Office of Internal Audits to improve audit effectiveness and efficiency through mutual exchange of information and opinions on a regular and as-needed basis.
- In addition, the Company receives audit plans (annual) and audit results (quarterly reviews and annual audits) from the financial auditor and exchanges information and opinions with them as appropriate, while monitoring the independence and appropriateness of the financial auditor's audits.

(5) System for reporting to Auditors

The Manager of the Office of Internal Audits reports to the Company's Auditors on the results of audits conducted by the Office of Internal Audits, and the Manager of the Compliance Department reports to the Company's Auditors on the status of reporting and consultation through internal reporting.

The Company's internal control system consists of the Company and its subsidiaries on a corporate group basis, and the status of its operation and the status of establishment and operation of internal control systems at subsidiaries are regularly reported to the ESG Management Committee, which is attended by Directors, Auditors, and presidents of affiliates.

This internal control system is continuously reviewed and improved in an effort to establish a more appropriate and efficient system.

At the Board of Directors meeting held on March 26, 2024, the Company's Board of Directors assessed the status of operation of each item stipulated in the basic policy for the fiscal year ended March 31, 2024, and confirmed that no significant deficiencies or inadequacies existed.

III. Criteria for the independence of external officers

The Company has established standards regarding the independence of Outside Directors and Outside Corporate Auditors and appoints Independent Outside Directors and Outside Corporate Auditors who have no vested interest in the Company, and has notified the Tokyo Stock Exchange of all Outside Directors and Outside Corporate Auditors as independent officers and outside corporate auditors. The criteria for independence of outside directors and outside corporate auditors require that such outside directors and outside corporate auditors must not fall under any of the following categories.

1. A person who is not currently or has been for the past ten years a Director (excluding external Directors), Auditor (excluding external Auditors), or employee of the Company or its consolidated subsidiaries (below, collectively referred to as the "Group")
2. Have not fallen under any of the following prior to assuming office during the past three years, including the fiscal year under review
  - (1) A current major shareholder of the Company (Note 1) or its executive (Note 2)
  - (2) An executive of a company, etc., that falls under any of the following categories
    - 1) Major business partner of the Group (Note 3)
    - 2) A person in which the Group directly or indirectly holds 10% or more of the total voting rights, or an executive of such a person
  - (3) A person who belongs to an auditing firm that is a financial auditor of the Group
  - (4) Consultants, accountants, tax accountants, lawyers, judicial scriveners, patent attorneys, and other professionals who receive large amounts of money or other assets (Note 4) from the Group
  - (5) A person who receives a substantial donation (Note 5) from the Group
  - (6) An executive of a company that appoints an executive of the Group as a director or executive
3. Spouse or relative up to the second degree of kinship of a person falling under any of the categories in 2. above, if such person is a significant person (Note 6)
4. Notwithstanding the provisions of the preceding paragraphs, any other person who is deemed to have special circumstances that could cause a conflict of interest with the Company

(Notes)

- (Note 1) A major shareholder is a shareholder who holds 10% or more of the voting rights of the Company in its own name or in the name of others as of the end of the most recent fiscal year.
- (Note 2) Executive means an executive as defined in Article 2, paragraph (3), Item (vi) of the Regulation for Enforcement of the Companies Act.
- (Note 3) Major business partner means those whose transaction amount exceeds 2% of the Company's consolidated net sales or the other party's consolidated net sales.
- (Note 4) A large amount of money or other assets means, in the case of an individual, an annual average of 10 million yen or more over the past three fiscal years, or in the case of a corporation, etc., 2% or more of the consolidated net sales of the relevant corporation, etc.

- (Note 5) A substantial donation means an amount of money or other property that exceeds 10 million yen per year on average over the past three fiscal years. However, if the donee is a corporation, partnership, or other organization, the amount exceeding 2% of the total income or ordinary income of the organization, whichever is greater.
- (Note 6) A significant person means a director, executive officer, corporate officer, executive person in charge of business at or above the rank of general manager, or an executive person with equivalent authority.

## **(6) Basic policy on the persons who control decisions on the Company's financial and business policies**

### **1) Basic policy**

As a listed company that allows free trading of its shares, the Company does not generally reject so-called hostile takeovers that are conducted without the approval of the Board of Directors, as long as they contribute to the Company's corporate value and, in turn, the common interests of its shareholders. We believe that the decision on whether or not to sell shares to an acquirer and the decision on whether or not to entrust the management of a company to an acquirer should basically be left to the will of individual shareholders.

On the other hand, we believe that those who control decisions on the Company's financial and business policies should be those who make it possible to continuously ensure and enhance the corporate value of the Group and, in turn, the common interests of its shareholders (below, "common interests of shareholders").

However, there are some takeover attempts that do not contribute to the common interests of shareholders, depending on the manner in which they are conducted.

The elements that constitute the Company's corporate value are: 1) trademarks or sales rights to several sportswear brands (sports brands) with high added value and high image that are positioned in the top class of the industry; 2) superior creativity, planning and manufacturing know-how, and state-of-the-art research facilities to embody these brand values; 3) individual talented employees who support such creativity, planning, and manufacturing know-how; 4) the company's management resources, including a large number of suppliers and customers backed by relationships of trust cultivated over many years of business, as well as a trade area, etc., that includes self-managed stores; 5) a business foundation that will enable the company to expand its business and improve its performance in the future by developing new businesses, new products, and new markets, in addition to conducting its existing business based on these management resources; and 6) a management base that can generate stable cash flow through business activities to strengthen the company's capital in the future. Without an understanding of the essential sources of the Company's corporate value as described above, it is impossible to secure and sustainably enhance the Company's corporate value.

An acquirer who lacks such understanding, while making a temporary profit by conducting a large-scale acquisition of the Company's shares and focusing only on short-term economic efficiency, may undermine the Company's management resources and business foundation described above, or may act against the structure that generates the Company's corporate value by acquiring only certain brands or commercial rights and disposing of the rest, thereby impairing the continuity of the Company as a business entity, which would result in damage to the common interests of shareholders.

Thus, against an acquirer who harms the common interests of shareholders, the Board of Directors should be allowed to trigger countermeasures to the extent reasonable to protect the common interests of shareholders. However, because there can be a wide variety of takeover proposals, there may be cases where it is difficult to determine whether the content of the takeover proposal will contribute to or detract from the common interests of shareholders. In the event of a takeover bid, the Board of Directors will first discuss and negotiate with the takeover proposer, but in cases where certain requirements are met, such as where the takeover proposer provides the Company with appropriate, necessary, and sufficient information to determine whether the proposed acquisition would contribute to the common interests of shareholders and then makes a written request to the Company, or where the Company receives a recommendation from the Special Committee, it is desirable to have shareholders decide at a General Meeting of Shareholders whether or not to invoke countermeasures under the current plan in response to such takeover proposal.

In addition, in order to enable our shareholders to make an appropriate decision at the General Meeting of Shareholders as to whether or not a takeover proposal will contribute to securing and enhancing the common interests of shareholders, we believe that it is the responsibility of the Company's Board of Directors to ensure that the proposer of a takeover bid discloses necessary and sufficient information regarding the impact of such a takeover bid on our shareholders and the management of the Group, the details of the management policy and business plan of the Group intended by the acquirer, and the impact of such a takeover bid on the many stakeholders surrounding the Group.



2) Efforts to contribute to the realization of the basic policy

i) Status of efforts to enhance corporate value

In the five-year medium-term management plan (fiscal year ended March 31, 2022 to fiscal year ending March 31, 2026), in addition to the corporate philosophy of “achieving a rich and healthy life through sports,” which it has held since our foundation, the Group has been working on investments in growth areas that drive sustainable business growth through redefining business domains within the rapidly evolving apparel market under the tagline of “SPORTS FIRST,” the idea that putting sports first, truly loving and practicing sports ourselves, and believing in the power of sports will lead to healthy and enjoyable lives.

In the 72nd fiscal year, the second fiscal year of the aforementioned five-year medium-term management plan, higher sales and profits were achieved year on year across all sales channels and business categories. As a result, the numerical targets set for the final year of the plan were exceeded and net sales surpassed 100.0 billion yen for the first time since our foundation.

There is a growing inclination among individuals to contribute to the environment and society, and emerging new consumption trends, and companies adept at sensitively responding to these shifts are experiencing growth.

Under its long-term vision PLAY EARTH 2030, the Company is redoubling its efforts to promote manufacturing and building a management base. Fulfilling its responsibility to the future, the Company aims to evolve into an indispensable entity within society.

In addition, in our endeavor to strengthen our global business, we established a new business division in April 2023, thereby galvanizing our efforts to amplifying the brand power of our original “Goldwin” brand and advance our overseas expansion. While reestablishing its brand value as a premier brand in sports apparel, not only by pursuing product functionality but also by conveying the design narrative to customers, we also aim to expand sales and improve efficiency through redesigning the supply chain.

Going forward, we will strive to achieve sustainable growth in the future by actively investing in growth areas while maintaining and improving a solid financial foundation that can flexibly respond to changes in customers and markets.

ii) Efforts to strengthen corporate governance

In order to enhance the common interests of shareholders and realize sustainable growth and increase corporate value, we recognize that improving management efficiency, soundness, and transparency and enhancing corporate governance are important issues, and we are strengthening our corporate governance system.

Specifically, in order to ensure prompt and effective execution of business operations, the Company is enhancing its internal control functions and operating its rules of authority to ensure their effectiveness, while building a compliance system and taking initiatives in risk management, ensuring management transparency and fair information disclosure, etc.

Based on its fiduciary responsibility and accountability to shareholders, the Board of Directors makes decisions on important business operations and supervises business execution mainly led by four external Directors in order to ensure the Company’s sustainable growth and enhance its corporate value over the medium to long term.

In addition, in order to clarify the management responsibility of each Director and to create a management structure that can quickly respond to changes in the business environment, the term of office of Directors is set at one year so that the will of shareholders can be promptly reflected.

The Company has introduced a corporate officer system. Corporate Officers appointed by the Board of Directors appropriately execute operations under the authority delegated to them in their respective areas based on the management strategies determined by the Board of Directors, thereby strengthening the supervisory function of the Board of Directors through four external Directors out of ten Directors. Furthermore, three of the four Auditors on the Board of Auditors are external Auditors, who attend Board of Directors meetings to express their opinions and supervise the Directors’ execution of their duties, thereby ensuring the sound management of the company and enhancing its social credibility.

The Company has established the Nomination/Compensation Committee to ensure fairness and transparency in nominating Directors and Corporate Officers and determining their compensation.

The Nomination/Compensation Committee, the majority of which are external Directors, deliberates matters related to the nomination of candidates for Directors and Auditors in response to inquiries from the Board of Directors, and reports the results of its deliberations to the Board of Directors. The Company has also established a Governance Committee to improve the effectiveness of the Board of Directors, one of the requirements of the corporate governance code, and to consider measures to address important governance risks.

iii) Returns to shareholders

Always recognizing that returning profits to shareholders is one of the most important issues for a company, our basic policy is to continue to pay stable dividends to shareholders while strengthening our financial position and management base.

The Company will implement various policies related to the above to enhance its corporate value and realize the interests of the Company and, in turn, the common interests of shareholders.

3) Efforts to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate in light of the basic policy

At the 70th Annual General Meeting of Shareholders held on June 24, 2021, the Company resolved, with the approval of its shareholders, to introduce countermeasures to large-scale acquisitions of the Company's shares (below, the "Current Plan").

Specifically, any purchaser who intends to make a purchase or tender offer for shares that would result in the purchase of 20% or more of the Company's outstanding shares is required to submit the necessary information to the Board of Directors in advance. The Special Committee, which will be established by resolution of the Board of Directors of the Company, will evaluate and examine the details of the purchase, obtaining advice from outside experts, etc. as necessary. If the Special Committee determines that the purchaser does not comply with the Current Plan or that the purchase would damage the corporate value of the Company and, in turn, the common interests of shareholders, the Special Committee will recommend to the Board of Directors that countermeasures be implemented (implementation of a gratis allotment of stock acquisition rights with exercise conditions that the exercise by the purchaser, etc. is not permitted). If the Special Committee determines that it is reasonable to confirm the will of shareholders with respect to the implementation of a countermeasure, the Special Committee may recommend the Board of Directors of the Company to convene a General Meeting of Shareholders and submit a proposal for the implementation of the gratis allotment of stock acquisition rights.

If the Special Committee determines that the implementation of the countermeasure is not appropriate, it will make a recommendation to the Board of Directors not to implement the countermeasure.

The Board of Directors of the Company shall adopt a resolution for implementation or non-implementation of the countermeasures, respecting the recommendation of the Special Committee to the maximum extent. If the Special Committee recommends that the Board of Directors convene a General Meeting of Shareholders and submit a proposal for the implementation of the gratis allotment of stock acquisition rights, the Board of Directors shall convene a General Meeting of Shareholders and submit a proposal for the implementation of the gratis allotment of stock acquisition rights, unless it is extremely difficult to hold a General Meeting of Shareholders, in order to obtain the shareholders' intent.

In the event that the Company's Board of Directors passes any of the above resolutions, the Company will promptly disclose the details of such resolutions and other matters.

4) Judgment of the Board of Directors regarding efforts to realize the basic policy and the reasons for such judgment

The Current Plan was approved at the Company's 70th Annual General Meeting of Shareholders held on June 24, 2021. The Current Plan may be abolished by a resolution of the Board of Directors of the Company even before the effective period of the Current Plan (until the conclusion of the first meeting of the Board of Directors to be held after the Annual General Meeting of Shareholders relating to the last fiscal year ending within three years after the end of the Annual General Meeting of Shareholders held on June 24, 2021). In addition, since the term of office of the Company's Directors is set at one year, the intent of the shareholders will also be reflected every year through the agenda for the election of Directors.

By having the Special Committee consisting of the Company's external Auditors and external experts, the Company believes that the Special Committee will be able to eliminate arbitrary decisions by the Company's management and ensure its objectivity and rationality, and at the same time, the Special Committee will be able to accurately understand the Company's actual situation and appropriately determine the impact on the Company's corporate value and the common interests of shareholders.

In addition, the Current Plan is set up so that it will not be triggered unless predetermined reasonable objective requirements are met, and these objective requirements are consistent in content with the cases in which a person is deemed inappropriate as a person who controls decisions on the Company's financial and business policies in the Current Plan. In this way, it is not intended to maintain the status of the Company's Directors.

Please refer to the Company's website for details of the Current Plan.

<https://www.goldwin.co.jp/corporate/info/ir/defense> (in Japanese)

**(7) Policy on the determination of dividends of surplus, etc.**

We always recognize that returning profits to shareholders is one of the most important issues for a company, and our basic policy is to continue to pay stable dividends to our shareholders while strengthening our financial position and management base.

Based on the above policy, the Company decided to pay a year-end dividend of 132 yen per share for the fiscal year ended March 31, 2024, consisting of an ordinary dividend of 122 yen per share and a commemorative dividend of 10 yen per share due to the relocation of the headquarters.

As a result, the total annual dividend for the fiscal year under review, including the second quarter dividend of 30 yen per share, will be 162 yen per share.

The Company's Articles of Incorporation stipulate that the Company may pay dividends from surplus, etc. by a resolution of the Board of Directors.

[Reference] Breakdown of annual dividends

Record date	Dividend per share		
	End of second quarter	Year-end	Annual
Results for the current year	30.00	132.00	162.00
Previous year (fiscal year ended March 31, 2023)	25.00	85.00	110.00

(Yen)

## Consolidated Financial Statements

### Consolidated Balance Sheet (as of March 31, 2024)

(Unit: million yen)

Account	Amount	Account	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>83,832</b>	<b>Current liabilities</b>	<b>35,866</b>
Cash and deposits	43,479	Notes and accounts payable - trade	4,312
Notes receivable - trade	73	Electronically recorded obligations - operating	15,490
Accounts receivable - trade	13,812	Current portion of long-term borrowings	940
Electronically recorded monetary claims - operating	6,571	Lease liabilities	485
Merchandise and finished goods	16,887	Accounts payable - other	2,783
Work in process	380	Income taxes payable	5,685
Raw materials and supplies	949	Accrued consumption taxes	316
Other current assets	1,685	Accrued expenses	1,769
Allowance for doubtful accounts	(7)	Contract liabilities	908
<b>Non-current assets</b>	<b>57,144</b>	Provision for bonuses	1,605
<b>Property, plant, and equipment</b>	<b>9,969</b>	Other current liabilities	1,569
Buildings and structures	1,995	<b>Non-current liabilities</b>	<b>4,940</b>
Land	4,691	Long-term borrowings	432
Leased assets	1,457	Lease liabilities	997
Other property, plant, and equipment	1,824	Retirement benefit liability	185
<b>Intangible assets</b>	<b>3,131</b>	Provision for share awards	2,748
Trademark right	921	Other non-current liabilities	576
Software	720	<b>Total liabilities</b>	<b>40,807</b>
Software in progress	1,428	<b>Net assets</b>	
Other intangible assets	60	<b>Shareholders' equity</b>	<b>95,326</b>
<b>Investments and other assets</b>	<b>44,044</b>	<b>Share capital</b>	<b>7,079</b>
Investment securities	34,181	<b>Capital surplus</b>	<b>1,548</b>
Long-term loans receivable	45	<b>Retained earnings</b>	<b>97,061</b>
Retirement benefit asset	2,717	<b>Treasury shares</b>	<b>(10,362)</b>
Guarantee deposits	2,730	<b>Accumulated other comprehensive income</b>	<b>4,680</b>
Distressed receivables	19	<b>Valuation difference on available-for-sale securities</b>	<b>1,812</b>
Deferred tax assets	1,497	<b>Deferred gains or losses on hedges</b>	<b>40</b>
Other investments and other assets	2,990	<b>Foreign currency translation adjustment</b>	<b>2,927</b>
Allowance for doubtful accounts	(137)	<b>Remeasurements of defined benefit plans</b>	<b>(100)</b>
		<b>Non-controlling interests</b>	<b>162</b>
		<b>Total net assets</b>	<b>100,170</b>
<b>Total assets</b>	<b>140,977</b>	<b>Total liabilities and net assets</b>	<b>140,977</b>

(Note) Amounts are rounded down to the nearest million yen.

**Consolidated Statement of Income** (from April 1, 2023 to March 31, 2024)

(Unit: million yen)

Account	Amount	
<b>Net sales</b>		<b>126,907</b>
Cost of sales		59,734
<b>Gross profit</b>		<b>67,173</b>
Selling, general and administrative expenses		43,326
<b>Operating profit</b>		<b>23,847</b>
<b>Non-operating income</b>		
Interest income	36	
Dividend income	86	
Share of profit of entities accounted for using equity method	8,477	
Other non-operating income	254	8,855
<b>Non-operating expenses</b>		
Interest expenses	36	
Loss on cancellation of insurance policies	6	
Commitment fee	16	
Other non-operating expenses	41	101
<b>Ordinary profit</b>		<b>32,601</b>
<b>Extraordinary income</b>		
Gain on sale of investment securities	491	491
<b>Extraordinary losses</b>		
Loss on disposal of non-current assets	38	
Impairment losses	31	
Loss on store closings	1	
Loss on valuation of investment securities	123	
Extra retirement payments	216	
Loss on business withdrawal	70	
Other extraordinary losses	57	540
<b>Profit before income taxes</b>		<b>32,552</b>
Income taxes - current	9,027	
Income taxes - deferred	(823)	8,204
<b>Profit</b>		<b>24,347</b>
Profit attributable to non-controlling interests		66
<b>Profit attributable to owners of parent</b>		<b>24,281</b>

(Note) Amounts are rounded down to the nearest million yen.

## Consolidated Statement of Changes in Equity (from April 1, 2023 to March 31, 2024)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance as of April 1, 2023	7,079	297	78,129	(7,127)	78,379
Changes during the fiscal year					
Dividends of surplus			(5,349)		(5,349)
Profit attributable to owners of parent			24,281		24,281
Purchase of treasury shares				(2,325)	(2,325)
Disposal of treasury shares		49		291	340
Purchase of treasury shares through stock benefit trust				(4,100)	(4,100)
Disposal of treasury shares for stock benefit trust		1,201		2,899	4,100
Net changes in items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	–	1,250	18,931	(3,235)	16,947
Ending balance as of March 31, 2024	7,079	1,548	97,061	(10,362)	95,326

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance as of April 1, 2023	728	55	1,855	(1,105)	1,534	141	80,056
Changes during the fiscal year							
Dividends of surplus							(5,349)
Profit attributable to owners of parent							24,281
Purchase of treasury shares							(2,325)
Disposal of treasury shares							340
Purchase of treasury shares through stock benefit trust							(4,100)
Disposal of treasury shares for stock benefit trust							4,100
Net changes in items other than shareholders' equity during the fiscal year	1,083	(14)	1,071	1,005	3,145	20	3,166
Total changes during the fiscal year	1,083	(14)	1,071	1,005	3,145	20	20,114
Ending balance as of March 31, 2024	1,812	40	2,927	(100)	4,680	162	100,170

(Note) Amounts are rounded down to the nearest million yen.

## Non-consolidated Financial Statements

Balance Sheet (as of March 31, 2024)

(Unit: million yen)

Account	Amount	Account	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>73,240</b>	<b>Current liabilities</b>	<b>33,270</b>
Cash and deposits	34,007	Notes payable - trade	206
Notes receivable - trade	73	Electronically recorded obligations - operating	15,062
Electronically recorded monetary claims - operating	6,498	Accounts payable - trade	3,356
Accounts receivable - trade	12,999	Current portion of long-term borrowings	940
Merchandise and finished goods	15,301	Lease liabilities	452
Work in process	379	Accounts payable - other	3,198
Raw materials and supplies	949	Income taxes payable	4,906
Accounts receivable - other	1,357	Accrued expenses	1,544
Prepaid expenses	431	Provision for bonuses	1,490
Other current assets	1,243	Other current liabilities	2,111
Allowance for doubtful accounts	(1)		
<b>Non-current assets</b>	<b>33,526</b>	<b>Non-current liabilities</b>	<b>4,409</b>
<b>Property, plant, and equipment</b>	<b>8,454</b>	Long-term borrowings	432
Buildings	1,604	Lease liabilities	896
Structures	60	Long-term accounts payable - other	71
Land	4,337	Provision for share awards	2,748
Leased assets	1,147	Other non-current liabilities	261
Other property, plant, and equipment	1,303		
<b>Intangible assets</b>	<b>3,051</b>	<b>Total liabilities</b>	<b>37,680</b>
Trademark right	921	<b>Net assets</b>	
Software	650	<b>Shareholders' equity</b>	<b>67,261</b>
Software in progress	1,428	<b>Share capital</b>	<b>7,079</b>
Other intangible assets	51	<b>Capital surplus</b>	<b>1,542</b>
<b>Investments and other assets</b>	<b>22,019</b>	Legal capital surplus	258
Investment securities	6,399	Other capital surplus	1,284
Shares of subsidiaries and associates	2,493	<b>Retained earnings</b>	<b>69,000</b>
Investments in capital	11	Legal retained earnings	1,763
Investments in capital of subsidiaries and associates	2,424	Other retained earnings	67,237
Long-term loans receivable	1,035	Retained earnings brought forward	67,237
Distressed receivables	18	<b>Treasury shares</b>	<b>(10,362)</b>
Guarantee deposits	2,450	<b>Valuation and translation adjustments</b>	<b>1,824</b>
Prepaid pension costs	2,827	<b>Valuation difference on available-for-sale securities</b>	<b>1,787</b>
Deferred tax assets	2,076	<b>Deferred gains or losses on hedges</b>	<b>37</b>
Other investments and other assets	2,584		
Allowance for doubtful accounts	(302)		
		<b>Total net assets</b>	<b>69,085</b>
<b>Total assets</b>	<b>106,766</b>	<b>Total liabilities and net assets</b>	<b>106,766</b>

(Note) Amounts are rounded down to the nearest million yen.

**Statement of Income** (from April 1, 2023 to March 31, 2024)

(Unit: million yen)

Account	Amount	
<b>Net sales</b>		<b>114,991</b>
Cost of sales		52,016
<b>Gross profit</b>		<b>62,974</b>
Selling, general and administrative expenses		42,078
<b>Operating profit</b>		<b>20,895</b>
<b>Non-operating income</b>		
Interest and dividend income	6,523	
Rental income	90	
Sales commissions received	206	
Other non-operating income	292	7,111
<b>Non-operating expenses</b>		
Interest expenses	32	
Loss on investments in investment partnerships	176	
Depreciation of assets for rent	27	
Other non-operating expenses	32	268
<b>Ordinary profit</b>		<b>27,739</b>
<b>Extraordinary income</b>		
Gain on sale of investment securities	491	491
<b>Extraordinary losses</b>		
Loss on valuation of investment securities	23	
Loss on valuation of investments in capital of subsidiaries	285	
Loss on disposal of non-current assets	17	
Extra retirement payments	214	
Loss on business withdrawal	70	
Other extraordinary losses	59	670
<b>Profit before income taxes</b>		<b>27,559</b>
Income taxes - current	7,989	
Income taxes - deferred	(954)	7,034
<b>Profit</b>		<b>20,525</b>

(Note) Amounts are rounded down to the nearest million yen.



**Statement of Changes in Equity** (from April 1, 2023 to March 31, 2024)

(Unit: million yen)

	Shareholders' equity								Total shareholders' equity
	Share capital	Capital surplus			Retained earnings			Treasury shares	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Beginning balance as of April 1, 2023	7,079	258	33	292	1,763	52,062	53,825	(7,127)	54,069
Changes during the fiscal year									
Dividends of surplus						(5,349)	(5,349)		(5,349)
Profit						20,525	20,525		20,525
Purchase of treasury shares								(2,325)	(2,325)
Disposal of treasury shares			49	49				291	340
Purchase of treasury shares through stock benefit trust								(4,100)	(4,100)
Disposal of treasury shares for stock benefit trust			1,201	1,201				2,899	4,100
Net changes in items other than shareholders' equity during the fiscal year									
Total changes during the fiscal year	-	-	1,250	1,250		15,175	15,175	(3,235)	13,191
Ending balance as of March 31, 2024	7,079	258	1,284	1,542	1,763	67,237	69,000	(10,362)	67,261

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Beginning balance as of April 1, 2023	719	(1)	718	54,788
Changes during the fiscal year				
Dividends of surplus				(5,349)
Profit				20,525
Purchase of treasury shares				(2,325)
Disposal of treasury shares				340
Purchase of treasury shares through stock benefit trust				(4,100)
Disposal of treasury shares for stock benefit trust				4,100
Net changes in items other than shareholders' equity during the fiscal year	1,068	38	1,106	1,106
Total changes during the fiscal year	1,068	38	1,106	14,297
Ending balance as of March 31, 2024	1,787	37	1,824	69,085

(Note) Amounts are rounded down to the nearest million yen.

# Accounting Audit Report on the Consolidated Financial Statements

## Independent Auditor's Report (Translation)

May 23, 2024

Goldwin Inc.  
To the Board of Directors

Ernst & Young ShinNihon LLC  
Kanazawa Office

Designated Limited Liability Partner  
Operating Partner  
Certified Public Accountant Kenichi Ishida

Designated Limited Liability Partner  
Operating Partner  
Certified Public Accountant Yasuhiro Yasuda

### *Audit Opinion*

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements of Goldwin Inc. (the "Company") applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

### *Basis for Audit Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

The other information consists of the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. Furthermore, the Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the process for reporting the other information.

The other information does not fall under the scope of our opinion on the consolidated financial statements, and we express no opinion on the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information and, in the course of reading, consider whether there are any material differences between the other information and the consolidated financial statements or our knowledge obtained in the course of our audit, and to pay attention to whether there are any other signs of material errors in the other information in addition to such material differences. If, based on the work we have performed, we determine that there are material errors in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

### *Responsibilities of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes establishing and operating such

internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures that address the risks of material misstatement. Select audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related measures in order to eliminate obstruction factors or safeguards to reduce obstruction factors to acceptable levels.

#### *Conflicts of Interest*

Our firm and the designated engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act.

# Accounting Audit Report on the Non-consolidated Financial Statements

## Independent Auditor's Report (Translation)

May 23, 2024

Goldwin Inc.  
To the Board of Directors

Ernst & Young ShinNihon LLC  
Kanazawa Office

Designated Limited Liability Partner  
Operating Partner  
Certified Public Accountant Kenichi Ishida

Designated Limited Liability Partner  
Operating Partner  
Certified Public Accountant Yasuhiro Yasuda

### *Audit Opinion*

Pursuant to Article 436, paragraph (2), item (i) of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, the notes to the non-consolidated financial statements and the related supplemental schedules (collectively, “non-consolidated financial statements, etc.”) of Goldwin Inc. (the “Company”) applicable to the 73rd fiscal year from April 1, 2023 to March 31, 2024. In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

### *Basis for Audit Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

The other information consists of the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. Furthermore, the Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the process for reporting the other information.

The other information does not fall under the scope of our opinion on the non-consolidated financial statements, etc., and we express no opinion on the other information.

Our responsibility in auditing the non-consolidated financial statements, etc. is to read through the other information and, in the course of reading, consider whether there are any material differences between the other information and the non-consolidated financial statements, etc. or our knowledge obtained in the course of our audit, and to pay attention to whether there are any other signs of material errors in the other information in addition to such material differences.

If, based on the work we have performed, we determine that there are material errors in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

*Responsibilities of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Non-consolidated Financial Statements, Etc.*

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan. This includes establishing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error. In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

*Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.*

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures that address the risks of material misstatement. Select audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly represent the underlying transactions and accounting events.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related measures in order to eliminate obstruction factors or safeguards to reduce obstruction factors to acceptable levels.

*Conflicts of Interest*

Our firm and the designated engagement partners have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

## Audit Report of the Board of Auditors

### Audit Report

The Board of Auditors has prepared this Audit Report based on the audit reports prepared by each Auditor regarding the execution of duties by the Directors for the 73rd fiscal year from April 1, 2023 to March 31, 2024, and after due deliberation, we hereby report as follows.

#### 1. Method and Details of Audit by Auditors and the Board of Auditors

- (1) The Board of Auditors established the audit policy, assignment of duties, etc., received reports from each Auditor on the status and results of their audits, received reports from the Directors, etc. and the financial auditor on the status of execution of their duties, and requested explanations as necessary.
- (2) Each Auditor, in accordance with the auditing standards for Auditors established by the Board of Auditors and in accordance with the auditing policy, assignment of duties, etc., communicated with the Directors, the internal audit division, and other employees, etc., endeavored to collect information and develop the auditing environment, and conducted audits in the following manner.
  - 1) Attended meetings of the Board of Directors and other important meetings, received reports from Directors, employees, and others regarding the execution of their duties, requested explanations as necessary, reviewed important approval documents, etc., and investigated the status of operations and assets at the headquarters and principal business offices. Also communicated and exchanged information with Directors and Auditors of subsidiaries, and received business reports from subsidiaries as necessary.
  - 2) Regarding the contents of the resolution of the Board of Directors regarding the establishment of a system to ensure that the execution of duties by the Directors complies with laws and regulations and the Articles of Incorporation and other systems stipulated in Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Companies Act as necessary to ensure the properness of business operations of a corporate group consisting of a stock company and its subsidiaries, which are described in the Business Report, and the systems established in accordance with such resolution (internal control system), we regularly received reports from Directors, employees, and others on the status of establishment and operation of such systems, sought explanations as necessary, and expressed our opinions.

With respect to internal control over financial reporting, we received reports from Directors, etc. and Ernst & Young ShinNihon LLC on the status of evaluation and audit of such internal control, and requested explanations as necessary.
  - 3) With respect to the basic policy stipulated in Article 118, Item (iii)-a and the initiatives stipulated in Article 118, Item (iii)-b of the Regulation for Enforcement of the Companies Act, which are described in the Business Report, we reviewed the details thereof, based on the deliberations at the meetings of the Board of Directors and other relevant meetings.
  - 4) We monitored and verified whether the financial auditor maintained its independence and conducted appropriate audits, and received reports from the accounting auditor on the execution of its duties and requested explanations as necessary. In addition, we received notice from the financial auditor that systems to ensure proper execution of duties (matters set forth in each item of Article 131 of the Regulation on Corporate Accounting) are maintained in accordance with the “Quality Control Standards for Audits” (Business Accounting Council) and other relevant standards, and requested explanations as necessary.

Based on the above methods, we have examined the Business Report and supporting schedules, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes to non-consolidated financial statements) and supporting schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) for the fiscal year under review.

## 2. Results of Audit

### (1) Results of audit of Business Report, etc.

- 1) In our opinion, the Business Report and supporting schedules present fairly the condition of the Company in conformity with applicable laws and regulations and the Articles of Incorporation.
- 2) In our opinion, there were no instances of misconduct or material facts in violation of laws and regulations or the Articles of Incorporation in connection with the Directors' performance of their duties.
- 3) In our opinion, the contents of the resolution of the Board of Directors regarding the internal control system are fair and reasonable. We also find no matters to be pointed out with regard to the contents of the Business Report and the execution of duties by the Directors regarding the said internal control system. With respect to internal control over financial reporting, we have received reports from Directors, etc. and Ernst & Young ShinNihon LLC that it was effective as of the date of this Audit Report.
- 4) We found no matters to be pointed out with regard to the basic policy on the nature of persons controlling decisions on the company's financial and business policies stated in the Business Report. We confirm that each of the initiatives set forth in Article 118, Item (iii)-b of the Regulation for Enforcement of the Companies Act described in the Business Report is in line with such basic policy, is not detrimental to the common interests of the Company's shareholders, and is not intended to maintain the status of the Company's corporate officers.

### (2) Results of audit of non-consolidated financial statements and supplementary schedules

In our opinion, the auditing methods and results of the financial auditor, Ernst & Young ShinNihon LLC, are appropriate.

### (3) Results of audit of consolidated financial statements

In our opinion, the auditing methods and results of the financial auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 23, 2024

Goldwin Inc. Board of Auditors  
Full-time Auditor Osamu Sato  
Auditor (External Auditor) Akiyuki Shiobara  
Auditor (External Auditor) Hidenao Yoichi  
Auditor (External Auditor) Tsutomu Morita