

Policy on Cross-Shareholdings and Our Fundamental Policy with Regard to Returns to Shareholders

Policy on Cross-Shareholdings

The Hakuhold DY Group holds shares in business partners for the purpose of maintaining and strengthening business relationships.

When acquiring such shares, the Group comprehensively considers such matters as the profits to be gained by the Group through maintaining and strengthening the business relationship and the amount of the investment before judging whether or not to invest. In addition, for each individual issue of business partner shares that we hold, the Group will regularly consider the value of continuing to hold such shares, bearing in mind the cost of capital of the Group; if that value is judged lacking, we will reduce our holdings of those issues of shares, taking into account any matters regarding transactions or business to be considered, the influence of such a sale on the market, and other such factors. If the value is affirmed, however, we will continue holding such shares.

The Company and its advertising and other operating companies will consider the value of retaining the business partner shares that are held and report thereon to the Company's Board of Directors. The advertising and other operating companies make such reports to their boards of directors beforehand. At its meeting in February 2025, the Company's Board of Directors considered the value of retaining the business partner shares held by the Group, and the Group is proceeding with the sale of issues of shares for which the value was judged lacking.

Sufficiently respecting the management policies, strategies, and the like of the corporations in which we have invested, the Company will exercise voting rights accompanying cross-shareholdings after thoroughly considering the details of each proposal and comprehensively judging whether to vote for or against the proposal, based on whether the proposal details coincide with the value and goal of the Company's investment, whether the proposal details would damage corporate value, and other factors.

The Company will not engage in any act hindering the sale or the like of the Company's shares by cross-shareholders (i.e., shareholders who hold the Company's shares as cross-shareholdings) or in any transaction with cross-shareholders that may harm the interests of the Company or the common interests of its shareholders.

Our Fundamental Policy with Regard to Returns to Shareholders

The Company's basic policy is to maintain stable dividends. We determine annual dividend amounts after comprehensively taking into consideration the dividend payout ratio (approximately 30%), the status of capital needs, the expansion of internal reserves, and other factors.

We will consider share repurchases, as appropriate, taking into account our overall financial condition and other factors.

Cash Dividends per Share and Dividend Payout Ratio

