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Press Release

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**Regarding the Company's View on ISS's Recommendation to Vote Against Proposal 2, "Amendment to the Articles of Incorporation," at the 115th Ordinary General Meeting of Shareholders**

With respect to Proposal 2, "Amendment to the Articles of Incorporation" (the "Proposal"), to be submitted at the 115th Ordinary General Meeting of Shareholders scheduled to be held on June 19, 2026 (the "Meeting"), Institutional Shareholder Services Inc. ("ISS"), a proxy advisory firm, has recommended voting AGAINST the Proposal. Accordingly, Kintetsu Group Holdings Co., Ltd. (the "Company") sets forth below its view on the Proposal

The Company respectfully asks shareholders to review the following and asks for their understanding of the Proposal.

1. Summary of ISS's recommendation AGAINST

ISS has recommended voting AGAINST the Proposal's provision for setting a maximum number of Directors on the grounds that, if the maximum number of Directors is set at 15 and no vacant seats remain on the Board after the Meeting (i.e., if the maximum number equals the actual number of Directors), the flexibility to add shareholder nominees through shareholder proposals would be lost unless incumbent Directors are removed, which ISS views as contrary to shareholders' interests.

2. The Company's view on the Proposal

The Company is advancing various initiatives based on the updated Medium-Term Management Plan 2028 in order to respond appropriately to rapid changes in the business environment and to remain a company that continues to be trusted and chosen by its diverse stakeholders over the long term.

As part of these efforts, with respect to corporate governance, which constitutes an important foundation of management, the Company has decided to transition to a company with an Audit and Supervisory Committee and to review the size of the Board of Directors to an appropriate level commensurate with its current circumstances, in order to strengthen the supervisory function of the Board of Directors and achieve swift and agile business execution, thereby enhancing corporate value and shareholder value. Accordingly, the setting of a maximum number of Directors under the Proposal is in no way intended to unduly restrict shareholders' rights; rather, it is a reasonable measure taken in the course of strengthening the Company's governance. The reasons are as follows.

(1) Ongoing strengthening of corporate governance

As a group operating a wide range of businesses, the Company must appropriately identify changes in the business environment and translate them into sustainable growth. In connection with the transition to the new structure, and in order to respond appropriately to changes in the business environment surrounding the Group and achieve swift and agile business execution, the Company has reduced the number of internal Directors responsible for business execution by two, thereby improving management efficiency. In addition, because the Company had not previously set a maximum number of Directors, it determined, from the perspective of optimizing the size of the Board, that setting the maximum number of Directors at 15, of whom no more than five may be Directors who are Audit and Supervisory Committee Members, is the most appropriate and suitable approach. The fact that the maximum number would equal the actual number of Directors is merely part of this ongoing process of strengthening corporate governance, and is by no means intended to entrench the existing structure or unduly restrict shareholders' rights.

(2) Substantive protection of minority shareholders through a majority of independent External Directors

Under the new structure, eight Directors, constituting a majority of the Board, will be independent External Directors. All of these candidates have been notified to the Tokyo Stock Exchange as independent officers, having strictly satisfied both the independence standards prescribed by the Tokyo Stock Exchange and those established by the Company. The Company is promoting the transformation of the Board of Directors into a more open body capable of fair, rational decision-making and the exercise of effective supervisory functions over management, by continuously obtaining opinions and advice from External Directors with extensive experience and deep insight and by fostering candid and active discussions from objective and independent perspectives. Under the new structure, the Company believes that the presence of this majority of independent External Directors ensures substantive protection of minority shareholders.

For the reasons stated above, the Proposal does not unduly impair the flexibility of shareholder proposals. Rather, it is an indispensable measure for strengthening the Company's governance, with the aim of reinforcing the supervisory function of the Board of Directors and achieving swift and agile business execution. The Company's governance structure and board composition are not intended to become fixed or rigid in

their current form. To date, the Company has pursued measures including reducing the number of Directors and enhancing the diversity of the Board of Directors, and it will continue to consider flexible reviews of its structure in response to changes in the business environment and other factors, thereby further strengthening corporate governance.

Once again, the Company respectfully asks shareholders to review the Notice of the 115th Ordinary General Meeting of Shareholders together with the Company's view set forth above, and would appreciate their understanding of the Proposal.

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