



June 10, 2025

To whom it may concern

Company Name : Shinsho Corporation
Representative : Hironobu Takashita
President and Representative Director
Code number : 8075
Contact : Yohei Oka
General Manager of General Affairs Department
TEL 03-5579-5201

Our View on the ISS Report

Shinsho Corporation (President: Hironobu Takashita, Headquarters: Osaka City, Osaka Prefecture, hereinafter referred to as the “Company”) has received a recommendation from Institutional Shareholder Services Inc. (hereinafter referred to as “ISS”) to oppose the election of Hironobu Takashita as a director candidate in the first proposal “ Election of Six (6) Directors who Do Not Serve on the Audit and Supervisory Committee ” at the 107th Annual General Meeting of Shareholders scheduled to be held on June 25, 2025. In response, the Company would like to express our views as follows. The Company kindly ask our shareholders and investors to review the notice of convocation of the 107th Annual General Meeting of Shareholders and this content, and to understand our proposal.

1. ISS’s Recommendation to Oppose

ISS has established quantitative criteria to recommend opposition to the election of top management directors if the amounts of Cross-Shareholdings disclosed in the latest securities report exceeds 20% of consolidated net assets. Although our ratio was 18.3% as of the end of March 2025, which is below the quantitative criteria, ISS has recommended opposition by applying the ratio from the securities report as of the end of March 2024 due to the absence of information on deemed shares to be held by the Company (known as “minashi hoyu kabushiki” or みなし保有株式 in Japanese).

2. Our view

In the securities report for the fiscal year ending March 2024, the total amount of shares held for purposes other than pure investment exceeded 20% of consolidated net assets (total consolidated capital). However, the Company reduced Cross-Shareholdings by the end of March 2025, resulting in a ratio of 18.3%. There are no relevant matters regarding deemed shares to be held by the Company, and as stated in the "Notice Concerning Policy on Reduction of Cross-Shareholdings" published on May 23, 2025, we do not plan to hold Cross-Shareholdings more than 20% in the future. Therefore, while ISS recommends opposition to the election of Hironobu Takashita due to the high ratio of Cross-Shareholdings, we recognize that we do not violate the criteria based on the latest information as of the end of March 2025.

(Reference) Notice Concerning Policy on Reduction of Cross-Shareholdings

<https://www.shinsho.co.jp/english/ir/library/pdf/notice-concerning-policy-on-reduction-of-cross-shareholdings.pdf>

classification		Year ending March 31, 2023	Year ending March 31, 2024	Year ending March 31, 2025
		(105th period)	(106th period)	(107th period)
Number of Issues	Listed companies	33	27	24
	Others	46	48	46
	total amount	79	75	70
Amounts recorded on the balance sheet	Listed companies	13,464	19,510	13,268
	Others	7,584	7,908	3,761
Total (Millions of yen)	total amount	21,048	27,418	17,029
Total consolidated net assets (Millions of yen)		73,896	87,480	92,977
Ratio to total consolidated net assets		28.5%	31.3%	18.3%

*There are no other shareholdings deemed to be held by the Company (known as "minashi hoyu kabushiki" or みなし保有株式 in Japanese).

*The Notice of the 107th Ordinary General Meeting of Shareholders can be viewed on the Company's website below.

<https://www.shinsho.co.jp/english/ir/stock/meeting.html>

and above