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May 11, 2026

To Whom It May Concern:

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### **Notice Concerning the Opinion of the Company's Board of Directors on Shareholder Proposals**

NS Solutions Corporation (the "Company") had received, as of April 9, 2026, from 3D WH OPPORTUNITY MASTER OFC - 3D WH OPPORTUNITY HOLDINGS, a shareholder of the Company (the "Proposer"), a written document stating that the Proposer would make shareholder proposals (the "Shareholder Proposal(s)") regarding agenda at the 46th Annual General Meeting of Shareholders scheduled to be held in June of this year (the "Shareholder Proposal Document"). At the meeting of the Company's Board of Directors held today, the Company resolved to oppose the Shareholder Proposals, and hereby gives notice as set forth below.

## **I. Details and Reasons for the Shareholder Proposals**

### **1. Proposed Agenda Items**

- (1) Partial amendment to the Articles of Incorporation (prohibition of deposits with parent company, etc.)
- (2) Partial amendment to the Articles of Incorporation (disclosure regarding contribution of funds to parent company, etc.)

### **2. Outline of the Proposals and Reasons for the Proposals**

As stated in the **Attachment**. As the Shareholder Proposal Document have been submitted only in Japanese, the relevant descriptions are translated by the Company.

## **II. Opinion of the Company's Board of Directors on the Shareholder Proposals**

### **(I) Opinion of the Company's Board of Directors**

The Company's Board of Directors opposes all Proposed Agenda Items and Proposals under the Shareholder Proposals.

### **(II) Reasons for opposing the Shareholder Proposals**

#### **1. Summary of Opposing Opinion**

The Company positioned fiscal year 2025, the 25th anniversary of its founding, as the year of its "second founding", and, in order to launch new activities to embark on the next stage of its journey, announced on April 26, 2024, the "NSSOL 2030 Vision" to map out the future the Company aspire toward. On February 28, 2025, the Company formulated and announced the "2025-2027 Medium-term Business Plan" as a specific execution plan for the first three years toward realizing this vision, and, in order to accomplish a transformation of its business model and achieve further higher profitability during such three-year period, the Company will actively conduct human capital investments, growth investments, and M&A. In this Medium-term Business Plan, the Company has established a cash allocation policy regarding funds on hand and funds obtained from operating cash flow during such three-year period (the "Cash Allocation Policy"), and will allocate these funds to the investments above, shareholder returns, ordinary working capital and other related measures (the "Growth Investments and Related Measures"), and will consider and implement various measures that contribute to enhancing the Company's corporate value.

As a specific measure for the Growth Investments and Related Measures, in the fiscal year ended March 2026, the Company executed the acquisition of INFOCOM CORPORATION (55.0 billion yen). Including the effects of the Growth Investments and Related Measures using funds, the Company secured a return on equity (ROE) for the fiscal year ended March 2026 of 11.4% (year-on-year: +0.5%), a level exceeding the cost of capital, and will continue to work to further improve capital efficiency toward achieving an ROE of around 13%, which is targeted in the Medium-term Business Plan. With respect to dividends as well, the Company plans to set the annual dividend for the fiscal year ended March 2026 at 85.0 yen per share, representing the fifth consecutive fiscal year of dividend increases.

The Company deposits a portion of its funds on hand in the CMS (cash management system) operated

by Nippon Steel Corporation (“Nippon Steel”), the Company’s parent company (the “CMS”). The CMS is used as a temporary place of deposit until the Company executes the Growth Investments and Related Measures. The Company has selected the use of the CMS as such temporary place of deposit because the terms are favorable to the Company from the perspectives of flexibility of deposits and withdrawals, safety, and comparison with market interest rates. If the use of the CMS were prohibited, since market interest rates on bank deposits and similar instruments are lower than those under the CMS, such fund management could, conversely, risk harming the Company’s corporate value and the common interests of shareholders.

The Company aims to maintain and improve capital efficiency through the Growth Investments and Related Measures under investment discipline, such as by setting a hurdle rate exceeding the cost of capital, and believes that the use of the CMS does not impede the Company’s capital efficiency or appropriate allocation of funds.

In addition, in order to ensure that the use of the CMS does not harm the Company’s interests, the “Parent Company Transactions Deliberation Committee”, consisting of all independent directors, deliberates and examines such transactions, confirms that the relevant transaction does not harm the Company’s interests, and, based on the results thereof, the Board of Directors (\*) approves such transaction.

Furthermore, providing in the Articles of Incorporation, which are the fundamental rules of the company, for the usability of the CMS, which is one means of fund management, and for the manner of disclosure regarding fund management, may constrain flexible business execution and management judgment based on the funding situation, investment environment, etc., and the Company believes that such matters are not suitable for stipulation in the Articles of Incorporation.

Based on the foregoing, the Company’s Board of Directors opposes each of the Shareholder Proposals, which are premised on prohibiting the use of the CMS or on the assumption that the CMS impedes the Company’s capital efficiency and allocation of funds.

The details of the reasons for opposition to each Shareholder Proposals are explained below.

## **2. Partial Amendment to the Articles of Incorporation (Prohibition of Deposits with Parent Company, Etc.)**

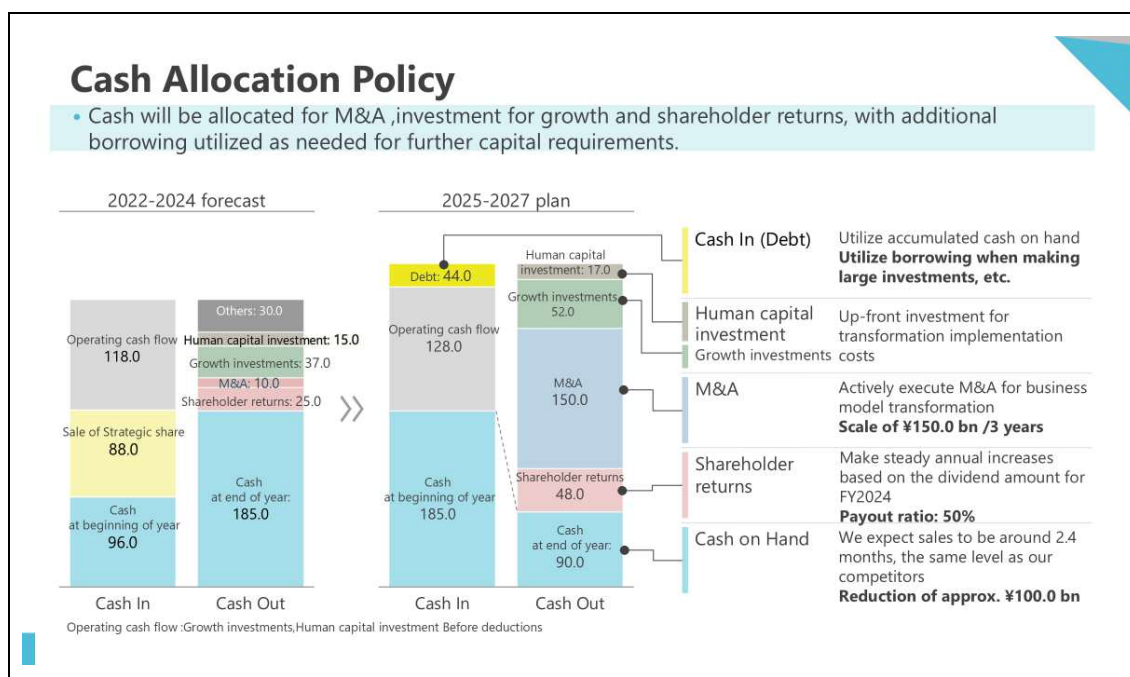
### **(1) Opinion of the Company’s Board of Directors**

The Board of Directors opposes this Shareholder Proposal.

## (2) Reasons for Opposition

### A. The Company's Cash Allocation Policy

The Company aims to allocate funds to the Growth Investments and Related Measures based on the Cash Allocation Policy and to realize medium-term growth and enhancement of corporate value.



Under the Cash Allocation Policy, for the three fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2028 (FY2025-FY2027 plan), the Company's policy is to allocate a total of approximately 267.0 billion yen, from funds on hand and operating cash flow, etc. during such three fiscal years, to human capital investments, growth investments, M&A, and shareholder returns.

Under this policy, the Company is specifically executing the Growth Investments and Related Measures, and, in the fiscal year ended March 2026, executed the acquisition of INFOCOM CORPORATION (55.0 billion yen). Including allocations to other growth investments, M&A, etc., the balance of cash and deposits held at fiscal year-end decreased from 192.9 billion yen in the fiscal year ended March 2025 to 108.8 billion yen in the fiscal year ended March 2026, and the Company's policy is to continue allocating these funds to the Growth Investments and Related Measures.

The Shareholder Proposal states that the balance of deposits has effectively become fixed; however, as described above, the Company has presented a policy of allocating funds to the Growth Investments and Related Measures, and the funds are actually being utilized through the execution of the Growth Investments and Related Measures; therefore, the funds have not become fixed.

Under the Cash Allocation Policy, the Company plans to hold approximately 90.0 billion yen as ordinary working capital as of the end of March 2028, equivalent to 2.4 months of monthly sales. The Company believes that this level of ordinary working capital is appropriate taking into account trends in the Company's current cash conversion cycle and the levels of peer companies with relatively similar business models.

With respect to shareholder returns as well, the Company changed its dividend payout ratio from 30% to 50% from the fiscal year ended March 2025. Including the dividend increase resulting from this change in dividend policy, the Company plans to achieve dividend increases for five consecutive fiscal years from the fiscal year ended March 2022, as follows:

Fiscal year ended March 2021: 26.25 yen/share; fiscal year ended March 2022: 33.00 yen/share; fiscal year ended March 2023: 37.50 yen/share; Fiscal year ended March 2024: 42.50 yen/share; fiscal year ended March 2025: 74.00 yen/share; fiscal year ended March 2026: 85.00 yen/share (planned)  
(Retroactively adjusted to reflect the stock split dated July 1, 2024)

From the perspective of capital efficiency, the Company's return on equity (ROE) for the fiscal year ended March 2026 was 11.4%, already exceeding the Company's cost of capital by approximately 3-4%; nevertheless, in order to achieve further improvement in capital efficiency, the Company aims to achieve ROE of around 13% in the fiscal year ending March 2028 through the Growth Investments and Related Measures described above.

In the context of recent corporate governance reforms, as a general matter, concerns have been raised as to whether listed companies are not effectively utilizing cash and deposits as growth investments and are holding excessive funds on hand, and whether such holding of excessive funds on hand is lowering capital efficiency. However, as described above, under the Cash Allocation Policy, the Company aims to maintain and improve capital efficiency through the execution of the Growth Investments and Related Measures based on hurdle rates exceeding the cost of capital, and is engaging in management that takes such concerns into account.

## **B. The CMS Does Not Impede Improvement of Capital Efficiency or Appropriate Allocation of Funds**

As described in A. above, the Company secures funds on hand under its policy of executing the Growth Investments and Related Measures. On the other hand, the Company recognizes that effectively utilizing funds on hand during the period until such funds are allocated to the Growth Investments and Related Measures contributes to the Company's corporate value and the common interests of shareholders.

The Shareholder Proposals states that the interest rate of the CMS is below the Company's cost of capital; however, the Company deposits funds on hand in the CMS merely as temporary deposits until the Company executes the Growth Investments and Related Measures, as described above. The CMS allows the Company to withdraw deposited funds at any time at its own discretion, and its interest rate, which is structured by adding a certain spread to TIBOR, exceeds the interest rates of similar short-term fund management methods available to the Company, and is therefore favorable to the Company. If the use of the CMS were prohibited, the Company would deposit such funds in highly liquid bank deposits and other instruments similar to the CMS until such funds are allocated to the Growth Investments and Related Measures. Since market interest rates on bank deposits and similar instruments are lower than those under the CMS, such fund management could, conversely, risk harming the Company's corporate value and the common interests of shareholders. The Company has determined that, taking into account such market environment and use of funds, the use of the CMS as a temporary place of deposit is reasonable.

What should be compared with the cost of capital is not the interest rate of the CMS, which is merely a temporary place of deposit, but rather the effects obtained from the Growth Investments and Related Measures. As described in A. above, the Company's policy is to allocate such funds to the Growth Investments and Related Measures that will further improve the Company's capital efficiency, and the use of the CMS does not impede improvement of the Company's capital efficiency or appropriate allocation of funds.

Reference:

- Published by the JBA TIBOR Administration: average one-month TIBOR for March 2026: 0.97% (The CMS adds a certain spread to TIBOR.)
- Deposit-type-specific posted interest rates announced by the Bank of Japan: March 2026 average annual interest rate: 0.25%

### **C. The Company's Use of the CMS Does Not Harm the Company's Interests**

From the perspective of ensuring independence from Nippon Steel, with respect to important matters above certain standards regarding transactions with Nippon Steel, the Company conducts deliberation

and examination at the “Parent Company Transactions Deliberation Committee,” which consists of all independent outside directors, confirms that the relevant transaction does not harm the Company’s interests, and, based on the results thereof (\*), obtains approval from the Board of Directors. The use of the CMS is also subject to deliberation by such committee, and the results thereof are appropriately disclosed in the business report, securities report, and corporate governance report.

#### **D. Conclusion**

As described above,

- (i) this Shareholder Proposal is based on a premise that does not take into account the actual circumstances of the Company’s use of the CMS, namely, temporary deposits until the Growth Investments and Related Measures are executed;
- (ii) the Company’s use of the CMS does not impede improvement of the Company’s capital efficiency or appropriate allocation of funds, and does not harm the Company’s interests; and
- (iii) with respect to the CMS, which is one part of fund management methods, prescribing it in the Articles of Incorporation, which are the fundamental rules of the company, may constrain flexible business execution and management judgment based on the funding situation, investment environment, etc., and the Company believes that such matter is not suitable for stipulation in the Articles of Incorporation.

Accordingly, the Company’s Board of Directors opposes this Shareholder Proposal.

### **3. Partial Amendment to the Articles of Incorporation (Disclosure Regarding Contribution of Funds to Parent Company, Etc.)**

#### **(1) Opinion of the Company’s Board of Directors**

The Board of Directors opposes this Shareholder Proposal.

#### **(2) Reasons for Opposition**

This Shareholder Proposal seeks to require the Company to compare the interest rate of the CMS with the Company’s cost of capital and examine the reasonableness thereof, by providing in the Articles of Incorporation that the Company discloses the reasons for its determination of reasonableness based on such comparison.

However, as described in 2.(2)B. above, because the Company deposits funds on hand in the CMS as temporary deposits until it executes the Growth Investments and Related Measures, the Company believes that what should be compared with the cost of capital is not the interest rate of the CMS, which is merely a temporary place of deposit, but rather the effects obtained from the Growth Investments and Related Measures For this reason, the Company believes that it is not appropriate to examine the reasonableness by comparing the interest rate of the CMS with the Company's cost of capital, despite this Shareholder Proposal.

In addition, prescribing the manner of disclosure regarding fund management in the Articles of Incorporation, which are the fundamental rules of the company, may constrain flexible business execution and management judgment based on the funding situation, investment environment, etc., and the Company believes that such matter is not suitable for stipulation in the Articles of Incorporation.

With respect to important matters with Nippon Steel, including the use of the CMS, as described in 2.(2)C. above, the Company conducts deliberation and examination at the Parent Company Transactions Deliberation Committee, which consists only of independent directors, and obtains approval from the Board of Directors (\*), and appropriately discloses the results thereof in the business report, securities report, and corporate governance report. The Company will continue to be mindful to provide explanations that are easy to understand.

Accordingly, the Company's Board of Directors opposes this Shareholder Proposal.

\* The Company's Board of Directors consists of six independent directors and five other directors. In addition, with respect to agendas that may involve a conflict of interest with Nippon Steel, the Company's parent company, deliberation and resolution are conducted excluding Mr. Hiroto Naito, who is a managing executive officer of Nippon Steel.

End

## **Attachment**

\* As the document relating to the Shareholder Proposals submitted only in Japanese, the relevant portions are translated by the Company.

### **1. Proposed Agenda Items**

- (1) Partial amendment to the Articles of Incorporation (prohibition of deposits with parent company, etc.)
- (2) Partial amendment to the Articles of Incorporation (disclosure regarding contribution of funds to parent company, etc.)

However, as stated in 2.(2) below, the proposal in (2) above will be withdrawn if the proposal in (1) above is approved.

### **2. Outline of the Proposals and Reasons for the Proposals**

#### **(1) Partial Amendment to the Articles of Incorporation (Prohibition of Deposits with Parent Company, Etc.)**

##### **I. Outline of the Proposal**

The following provisions shall be added to the Articles of Incorporation.

#### **Chapter 8 Deposits with Parent Company, Etc.**

##### **Article 35 (Prohibition of Deposits)**

The Company shall not make deposits of money or other contributions of funds equivalent thereto (“Deposits”) to its parent company or any subsidiary or affiliate thereof.

- 2) If Deposits have arisen in violation of the preceding paragraph, the Company shall promptly recover such Deposits.

##### **II. Reason for the Proposal**

NS Solutions used the CMS of Nittetsu Finance Co., Ltd., a company of the parent company group, and made deposits from around 2004 to around 2013, and thereafter, from around 2014, commenced deposits with the parent company (the “Subject Deposits”). Since then, deposits have continued at a high level and over the long term for more than ten years, and the balance as of 2025 has reached approximately 100.0 billion yen, accounting for approximately 40% of net assets. Therefore, as an institutional measure to address such issue, we propose this amendment to the Articles of Incorporation. The problems with the

Subject Deposits are as follows.

#### **A. Structural Conflict of Interest and Issues with the Parent-Subsidiary Listing Structure**

Deposits with a parent company inherently involve structural conflict-of-interest risk as related-party transactions with a controlling shareholder. The Ministry of Economy, Trade and Industry's "Practical Guidelines for Group Governance Systems" also require careful verification and explanation of transactions between a listed subsidiary and its parent company from the perspective of conflicts of interest with minority shareholders, and cash deposits between a listed subsidiary and its parent company are expressly indicated as a specific situation in which a conflict of interest may arise. The Subject Deposits are a typical example thereof, and are not merely a fund management issue, but rather an issue in which conflict-of-interest risk inherent in the parent-subsubsidiary listing structure has materialized, and a response that takes into consideration the interests of general shareholders is necessary.

#### **B. Clear Deviation from the Cost of Capital**

While NS Solutions' cost of capital is stated to be 7–8% and its WACC is stated to be 6%, the deposit interest rate remains at approximately 0.2%. The Tokyo Stock Exchange clearly requests "management that is conscious of cost of capital and stock price" under Principle 5-2 of the Corporate Governance Code, and the Financial Services Agency's "Action Program 2025 for Making Corporate Governance Reform Substantive" also requires continuous verification and accountability regarding effective utilization of cash and deposits. Because the appropriateness of capital allocation should be judged not by comparison with market interest rates, but by comparison with the cost of capital and alternative uses of funds, continuing to deposit funds with the parent company over the long term and on a large scale under conditions significantly below the cost of capital cannot be tolerated as impairing corporate value.

#### **C. Insufficiency of the Company's Explanation**

At the June 2022 general meeting of shareholders as well, a shareholder proposal seeking prohibition of deposits was made, but the Company's rebuttal is unreasonable from the following perspectives:

- The necessity of internal reserves does not establish the reasonableness of the form of depositing such reserves with the parent company.
- The Company explained the utilization of internal reserves on the grounds of consistency with the Medium-term Management Plan, but it has not been confirmed that the Subject Deposits were allocated to business investments, etc. and that the balance has actually decreased in substance.
- The explanation concerning the use of the CMS is also limited to comparison with market interest rates,

and does not constitute a standard for judging the appropriateness of capital allocation. The Tokyo Stock Exchange’s “Investor’s Perspective on Parent-Subsidiary Listings, Etc.” dated February 4, 2025 also points out a similar explanatory posture as a problematic example, and NS Solutions’ response falls squarely within this.

- The fact that, despite the explanation that withdrawals are possible at any time, the balance has remained at a high level for more than ten years indicates that the funds are effectively fixed, and the explanation is not accompanied by substance.

#### **D. Necessity of Institutional Measures**

The Subject Deposits contain multiple problems: (i) capital allocation below the cost of capital, (ii) related-party transactions accompanied by structural conflicts of interest, (iii) long-term and large-scale restraint on funds, and (iv) absence of substantive review. 3D has repeatedly raised these issues through dialogue, and at the 2022 general meeting, a shareholder proposal was also made by shareholders other than 3D, but no effective corrective measures have been taken. Unless clear discipline to eliminate the structural problem is introduced, the balance will continue to expand, and therefore institutional measures are indispensable.

For the reasons above, we propose this amendment to the Articles of Incorporation.

### **(2) Partial Amendment to the Articles of Incorporation (Disclosure Regarding Contribution of Funds to Parent Company, Etc.)**

#### **I . Outline of the Proposal**

The following provisions shall be added to the Articles of Incorporation.

#### **Chapter 8 Deposits with Parent Company, Etc.**

##### **Article 35**

With respect to contributions of money or similar transactions conducted by the Company to its parent company or its affiliates (“Deposits”), from the perspective of deepening understanding regarding management of conflicts of interest with minority shareholders and capital allocation, the Company shall disclose the following matters by an appropriate method:

- (i) the average interest rate and other transaction terms of Deposits in the most recent fiscal year;
- (ii) the reasons why the transaction terms set forth in the preceding item were determined to be reasonable in light of the relationship between the cost of capital and the return from Deposits, and the standards or comparison targets used in such determination; and

(iii) the existence and content of any policy for consideration or judgment standards regarding the review or elimination of Deposits.

\* If Proposal No. 1 is approved and adopted, this proposal will be withdrawn.

## **II. Reason for the Proposal**

As stated in the reason for Proposal No. 1, despite the fact that the interest rate on NS Solutions' Subject Deposits is significantly below the cost of capital, sufficient disclosure has not been made regarding the reasonableness thereof.

The Tokyo Stock Exchange requires listed companies to accurately understand their cost of capital and to explain the status of their business portfolio and capital allocation to shareholders in an easy-to-understand manner (Principle 5-2 of the Corporate Governance Code), and requests listed companies to conduct "management that is conscious of cost of capital and stock price."

In addition, when conducting related-party transactions such as deposits with a parent company, listed companies are required to establish appropriate procedures according to the importance and nature of the transaction and to disclose the framework thereof (Principle 1-7 of the Corporate Governance Code).

Furthermore, the board of directors has the responsibility to conduct effective supervision over important management decisions, including capital policy and capital allocation, from the perspective of sustainable growth and enhancement of medium- to long-term corporate value (Supplementary Principle 4.11.3 of the Corporate Governance Code). Unless the appropriateness of capital allocation and the criteria for judgment regarding review are expressly indicated, shareholders cannot verify whether such supervision is functioning effectively.

In addition, the Tokyo Stock Exchange's "Interim Summary Concerning the Ideal Form, Etc. of Protection of Minority Shareholders at Listed Companies Having Controlling Shareholders and Shareholders with Substantial Control" (page 8, footnote 14) points out that enhancing information disclosure is important with respect to transactions, such as loans and deposits through cash management systems, for which perceptions of significance may differ between companies and investors. The "Investor's Perspective on Parent-Subsidiary Listings, Etc." also expressly states that the significance of participation in group cash management should be re-examined from the perspectives of cost of capital and capital efficiency, that companies should also consider how surplus funds currently deposited should be allocated to growth investments and shareholder returns that exceed the cost of capital, and that disclosure of the actual status of group cash management, including interest rate arrangements, is expected.

Furthermore, in the ongoing discussions on amendments to the Corporate Governance Code, from the perspective of “optimal allocation of management resources toward realizing sustainable growth,” clarification is indicated regarding continuous verification and accountability with respect to the appropriateness of resource allocation and effective utilization of cash and deposits, the so-called cash hoarding issue, together with strengthening effective supervision by the board of directors.

In this way, the market and corporate governance systems require clear explanation, based on cost of capital, of the reasonableness and the framework for judgment regarding fund transfers between related parties, such as deposits with a parent company, where structural conflict-of-interest risks may materialize. In addition, in light of the status of discussions regarding amendments to the Corporate Governance Code, accountability is expected to increase further.

However, NS Solutions has not provided explanations at a level that enables investors to verify the appropriateness of capital allocation and the appropriateness of conflict-of-interest management regarding:

- the average interest rate and other specific transaction terms of deposits with the parent company;
  - the reasons why such terms were determined to be reasonable in light of the relationship between the cost of capital and the return from Deposits, and the standards or comparison targets used in such determination;
- and
- the existence and content of any policy for consideration or judgment standards regarding the review or elimination of Deposits.

This amendment to the Articles of Incorporation does not force NS Solutions to adopt any specific capital allocation, but only requests disclosure of the premises and reasonableness of management judgment regarding capital allocation. This does not unduly constrain the discretion of the Board of Directors, and is a necessary and reasonable institutional response to secure equality of shareholders and transparency of information by clarifying management of structural conflicts of interest and visualizing discipline regarding capital allocation in accordance with market principles.

For the reasons above, we propose this amendment to the Articles of Incorporation.

End