Press Release

Global ESG Strategy
June 12, 2024

Global ESG Strategy to Disclose its Proxy Voting Policy for the Upcoming General Shareholders' Meeting of With us

Global ESG Strategy (GES), an investment fund managed by Swiss-Asia Financial Services Pte Ltd (SAFS), started investing in With us Corp. ("With us", Securities Code: 9696), which is listed on the Tokyo Stock Exchange's Standard Market, in 2023, and has continued to engage with the company ever since. GES has decided its voting policy for the 48th Ordinary General Shareholders' Meeting of With us, to be held on June 27, 2024, as shown below.

Company proposals

Proposal 1: Appointment of seven Directors	
Tomio Ikoma: President & Representative Director	**Against**
・ In a group interview with GES, Mr. Ikoma asserted that there is absolutely nothing inappropriate about the company's governance, and that the optimal financial policy is to continue increasing internal reserves. **We believe Mr. Ikoma's management responsibility as President & Representative Director is particularly heavy, and we strongly oppose his reappointment**. ・ In particular, **President Ikoma has served as a Director for 31 years, and we are concerned about him only being able to manage the company in accordance with the founding family's wishes**.	
Junji Takeshita: Managing Director & Head of Corporate Strategy Headquarters	**For**
・ Mr. Takeshita has not agreed to an individual interview with GES, so we have not been able to confirm his suitability as a director or his contribution to management. We believe he bears a certain degree of responsibility for the company's management to this point; nevertheless, he has played a key role in driving the company's rapidly growing high school and university business, so GES votes for his reappointment.	
Takushi Akagawa: Managing Director & Head of General Support Headquarters	**Against**
・ In a group interview with GES, Mr. Akagawa asserted that there is absolutely nothing inappropriate about the company's governance, and that the optimal financial policy is to continue increasing internal reserves. **We believe Mr. Akagawa's management responsibility as Managing Director & Head of the General Support Headquarters is particularly heavy, and we strongly oppose his reappointment**.	
Takashi Ano: Director & Head of High School and University Business Company	**Against**
・ Mr. Ano has not agreed to an individual interview with GES, so we have not been able to confirm his suitability as a director or his contribution to management. We believe he bears a certain degree of responsibility for the company's management to this point; nevertheless, he has played a key role in driving the company's rapidly growing high school and university business, so GES votes for his reappointment.	
Junko Osawa: Outside Director	**Against**
・ Ms. Osawa has not agreed to an individual interview with GES, so we have not been able to confirm her suitability as an outside director or her contribution to management. GES therefore votes against her reappointment. ・ The Corporate Governance Code requires directors, including outside directors, to engage in constructive dialogue with shareholders and listen to their interests and concerns. Ms. Osawa's reluctant attitude toward dialogue with shareholders is far from the attitude required by the Corporate Governance	

	Code, and we cannot help but believe that the appointment of such a director would very likely be harmful to the common interests of shareholders.	
	Masaaki Takano: Outside Director	**Against**
・	Mr. Takano has not agreed to an individual interview with GES, so we have not been able to confirm his suitability as an outside director or his contribution to management. GES therefore votes against his reappointment.	
・	The Corporate Governance Code requires directors, including outside directors, to engage in constructive dialogue with shareholders and listen to their interests and concerns. Mr. Takano's reluctant attitude toward dialogue with shareholders is far from the attitude required by the Corporate Governance Code, and we cannot help but believe that the appointment of such a director would very likely be harmful to the common interests of shareholders.	
	Mami Oyama: Outside Director	**Against**
・	Ms. Oyama is a new candidate for director, but has refused GES's requests for an individual interview, so we believe she does not intend to engage in dialogue with shareholders. We have not been able to confirm her suitability as an outside director, her prospective contribution to management, or the expectations of her. GES therefore votes against her appointment.	
・	The Corporate Governance Code requires directors, including outside directors, to engage in constructive dialogue with shareholders and listen to their interests and concerns. Ms. Oyama's reluctant attitude toward dialogue with shareholders is far from the attitude required by the Corporate Governance Code, and we cannot help but believe that the appointment of such a director would very likely be harmful to the common interests of shareholders.	
Proposal 2: Appointment of two Statutory Auditors		
	Yoshikuni Ota: Full-time Statutory Auditor	**Against**
・	Mr. Ota has refused GES's requests for an individual interview, so we believe he does not intend to engage in dialogue with shareholders. We have not been able to confirm his suitability as a statutory auditor, his prospective contribution to management, or the expectations of him. GES therefore votes against his reappointment.	
・	The Corporate Governance Code requires statutory auditors to engage in constructive dialogue with shareholders and listen to their interests and concerns. Mr. Ota's reluctant attitude toward dialogue with shareholders is far from the attitude required by the Corporate Governance Code, and we cannot help but believe that the appointment of such a statutory auditor would very likely be harmful to the common interests of shareholders.	
	Jun Yamashita: Statutory Auditor	**Against**
・	Mr. Yamashita is a new candidate for statutory auditor, but has refused GES's requests for an individual interview, so we believe he does not intend to engage in dialogue with shareholders. We have not been able to confirm his suitability as a statutory auditor his prospective contribution to management, or the expectations of him. GES therefore votes against his appointment.	
・	The Corporate Governance Code requires statutory auditors to engage in constructive dialogue with shareholders and listen to their interests and concerns. Mr. Yamashita's reluctant attitude toward dialogue with shareholders is far from the attitude required by the Corporate Governance Code, and we cannot help but believe that the appointment of such a statutory auditors would very likely be harmful to the common interests of shareholders.	

#	Proposal			GES's proxy voting policy
1	Appointment of seven Directors	Years served as director	Years served as President	
	Tomio Ikoma: President & Representative Director	31	15	Against
	Junji Takeshita: Managing Director & Head of Corporate Strategy Headquarters (Head of High School and University Business Headquarters until March 2023)	10		For
	Takushi Akagawa: Managing Director & Head of General Support Headquarters	7		Against
	Takashi Ano: Director & Head of High School and University Business Company	2		For
	Junko Osawa: Outside Director	5		Against
	Masaaki Takano: Outside Director	4		Against
	Mami Oyama: Outside Director	New		Against
2	Appointment of two Statutory Auditors	Years served as auditor		
	Yoshikuni Ota: Full-time Statutory Auditors	4		Against
	Jun Yamashita: Statutory Auditor	New		Against

Shareholder proposals

We vote for each of GES's shareholder proposals 3-12. We ask all shareholders to vote for all of these shareholder proposals.

Purpose	No.	Proposal
Improving capital efficiency and expanding shareholder returns	3	Deletion of Article 38 of the Articles of Incorporation (decision-making body for dividends of surplus, etc.)
	4	Appropriation of surplus
	5	Partial amendment of the Articles of Incorporation (policy for dividends of surplus)
Governance reform to end domination by the founding family	6	Partial amendment of the Articles of Incorporation (restrictions on appointment of directors of consolidated subsidiaries)
	7	Partial amendment of the Articles of Incorporation (restrictions on appointment of former directors or officers of competitors to director or management roles)
	8	Partial amendment of the Articles of Incorporation (criteria for election of directors)
Promotion of dialogue with shareholders	9	Partial amendment of the Articles of Incorporation (meetings between directors and shareholders)
Abolishment of anti-takeover measures protecting vested interests of founder and associates	10	Abolition of anti-takeover measures
	11	Deletion of Article 18 of the Articles of Incorporation (deletion of provisions for the implementation of anti-takeover measures, etc.)
	12	Partial amendment of the Articles of Incorporation (application of anti-takeover measures to the founder and associates)

Proposal 3: Deletion of Article 38 of the Articles of Incorporation (decision-making body for dividends of surplus, etc.)	**For**
Proposal 4: Appropriation of surplus	**For**
Proposal 5: Partial amendment of the Articles of Incorporation (policy for dividends of surplus)	**For**

Improvement of capital efficiency and increasing of shareholder returns (Proposals 3, 4, and 5)

- **Proposal 3:** Currently, With us's dividend is determined through a Board of Directors resolution and thus is not subject to a General Shareholders' Meeting resolution. Proposal 3 proposes that the determination of the dividend be an item for resolution at the General Shareholders' Meeting. The Board of Director states, as a reason for opposing this proposal, that **having the Board of Directors, and not the General Shareholders' Meeting, determine the dividend is beneficial in terms of improving the company's medium/long-term enterprise value and is in the interest of all shareholders.** However, leaving the determination of the dividend to the Board of Directors has resulted in the accumulation of net cash equal to 38.5% of the company's market capitalization. The company's management does not understand that accumulating internal reserves is damaging to With us's enterprise value and the common interest of shareholders.
- **Proposals 4 and 5:** With us has a massive net cash position, and this has led to the company having among the lowest stock valuations in its industry. GES proposes, **as a temporary measure, a dividend payout ratio of 150% or more through FY2025**. Even if GES' proposal is approved, **Withus will still have ¥5.98 billion in net cash** at the end of FY2025 (see p. 13 of the GES presentation materials dated May 24, 2024; note that the forecasts cited as a rationale for Proposal 5 have been further examined and revised). Accordingly, the proposed dividend level is **far from proposing to pay out all of cash in hands.** The Board of Directors goes so far as to argue that paying the dividend proposed by GES would damage the company's financial base and hinder the improvement of enterprise value, but if it is to make such an argument, the management should clarify why it believes that this proposal will damage the company's financial base when net cash would still be ¥5.98 billion after the proposed dividend payments. **The Board of Directors has not been able to clearly answer a simple question posed by GES, "How much do you intend to accumulate net cash further?", only saying that it would**

like to increase it more. We feel compelled to conclude that the Board of Directors has no financial policy other than to mindlessly hoard cash. If the Board of Directors is opposed to GES's dividend proposal, **it should provide shareholders with a concrete and quantitative explanation of what constitutes a "solid financial base" that the management thinks.**

Proposal 6: Partial amendment of the Articles of Incorporation (restrictions on appointment of directors of consolidated subsidiaries)	**For**
Proposal 7: Partial amendment of the Articles of Incorporation (restrictions on appointment of former directors or officers of competitors to director or management roles)	**For**
Proposal 8: Partial amendment of the Articles of Incorporation (criteria for election of directors)	**For**

Governance reforms to free the company from anachronistic management (Proposals 6, 7, and 8)

- **The Board of Directors opposes this proposal, claiming that the proposal may binder utilizing diverse human resources that would maintain and improve the company's enterprise value, and in turn, the common interests of shareholders.** However, With us founder Kazuaki Horikawa has served as president of consolidated subsidiary Breeze for 31 years, and Naoto Horikawa has served as president of SRJ (also a consolidated subsidiary) for 16 years. The current situation at With us is in **direct contradiction** to the utilization of diverse human resources.
- **We feel compelled to conclude that the kind of policy regarding the utilization of diverse human resources espoused by the Board of Directors is nothing more than a policy of favoring the founding family.** The very fact that the Board of Directors is citing this as a reason for opposing the proposal is proof of an ingrained culture of managing the company in accordance with the founding family's wishes. With us urgently needs to be freed from the founding family's influence via Proposals 6-8, and to carry out corporate governance reform.

Proposal 9: Partial amendment of the Articles of Incorporation (meetings between directors and shareholders)	**For**

- Despite having fast-growing and highly profitable businesses, With us has a share price valuation that is among the lowest in its industry, due to inefficient capital policy and poor governance, and believe that the Board of Director's management and supervision are not functioning properly. Under such circumstances, we think that as directors and major shareholders engaged in direct dialogue, and shareholders exerted discipline on management through such constructive dialogue, the Board of Directors would feel a higher degree of sense of urgency to manage the company, resulting in an increase in enterprise value.
- This proposal would require directors to grant individual meetings to shareholders with 3% or more of total voting rights upon request. With us opposes this proposal on the grounds that as a practical matter, it would be difficult to meet the requests, and that it could cause significant disruption to the smooth execution of business by the company's directors. However, it is utterly inconceivable that allocating just a few hours to shareholder interviews—once every quarter for executive directors and once a year for outside directors—would cause significant disruption to the smooth execution of business by directors. We feel compelled to conclude that the opposition to this proposal is simply an excuse for not wanting to engage in dialogue with shareholders. In our view, this indicates a lack of respect for governance.

Proposal 10: Abolition of anti-takeover measures	**For**
Proposal 11: Deletion of Article 18 of the Articles of Incorporation (deletion of provisions for the implementation of anti-takeover measures, etc.)	**For**
Proposal 12: Partial amendment of the Articles of Incorporation (application of anti-takeover measures to the founder and associates)	**For**

Discontinuation of anti-takeover measures that protect the vested interest of the founder and associates (Proposals 10, 11, and 12)

- In its explanation of the anti-takeover measures being adopted ["Renewal of countermeasures related to large-scale purchases of With us shares (anti-takeover measures)"], With us made a point of mentioning the possibility that the shares held by the founder and associates will decrease in the future, and stated that the measures were being adopted to protect the company from "outsiders". From this context, it is clear that these anti-takeover measures are intended to protect the founding family, making them unprecedented and rare anti-takeover measures.
- **The Board of Directors has emphasized that the previous time the anti-takeover measures were up for renewal, 79% of shareholders approved their renewal. However, if one excludes the shares held by the founding family (just over 20%), a majority of shareholders other than the founding family opposed the renewal,** and it is clear that a majority of shareholders other than the founding

family do not support the anti-takeover measures.

GES has decided to exercise its voting rights as described above in order to fulfill its responsibilities as a major shareholder of With us and to fulfill its accountability to GES' investors. GES will continue aiming to maximize With us's enterprise value and common interests of shareholders through constructive dialogue with the management and through shareholder proposals and the exercise of voting rights as necessary, as a responsible shareholder.

End

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About Global ESG Strategy

Global ESG Strategy ("GES"), an investment fund that is managed by SAFS, makes medium- to long-term investments from an ESG (Environment, Social and Governance) perspective, and its policy is to promote improvements on enterprise value and shareholder value of investee companies through constructive dialogue with investee companies and other means.

About Swiss-Asia Financial Services

SAFS is founded in 2004, and is a Singapore based investment management company that holds a Capital Markets Services (CMS) License under the Singapore Securities and Futures Act (SFA).