

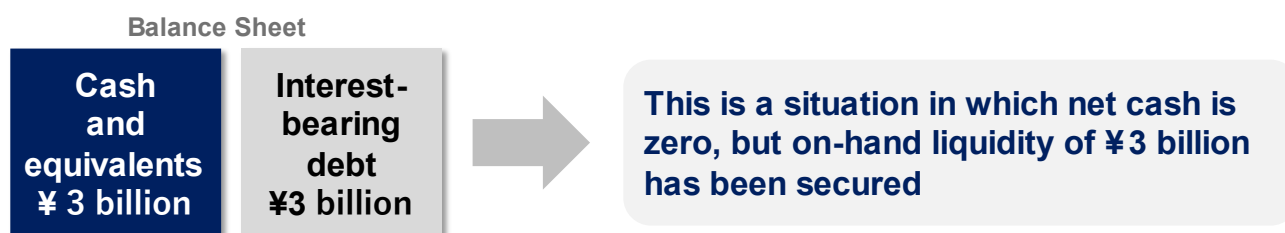
## Results of 48th Annual General Shareholders' Meeting of With us Corporation

Global ESG Strategy fund ("GES"), an investment fund managed by Swiss-Asia Financial Services Pte Ltd ("SAFS"), submitted shareholder proposals to the 48th Annual General Shareholders' Meeting of With us Corporation ("With us" or the "Company"), which took place on June 27, 2024.

Unfortunately, all of the Company's own proposals were approved and all shareholder proposals were rejected. However, many shareholders agreed with the assertions made by GES. Proposal No.3: Deletion of Article 38 of the Articles of Incorporation (Decision-making Body for Distributions from Surplus) **received support equivalent to 41.93% of the total vote**, and Proposal No.10: Abolition of Anti-takeover Measures also received **strong support of 41.85%**. Other shareholder proposals received **support of 28.92%-33.82% votes**. In all cases, the support rate was significantly higher than the GES's vote alone, and GES would like to express sincere gratitude to all shareholders who supported the proposals.

### Confirmed that management does NOT have basic financial policy

When a shareholder asked questions at the General Meeting about the Company's policy for deploying its net cash balances, Executive Officer Takashi Kamota (in charge of Business Administration) explained the rationale of having net cash position by saying that the year-end influx of lump-sum tuition fees in the high school and university business results in cash peaking at the end of the fiscal year, typically at just above JPY6bn (it was around JPY7bn at March-end 2024), after which it then declines through the next fiscal year, and that the Company additionally needs to keep on-hand liquidity of around JPY3bn, equivalent to three months' worth of revenues. However, GES pointed out that Mr. Kamota's explanation failed to justify the need for net cash of JPY7bn, since With us could ensure on-hand liquidity of JPY3bn, for example, by raising JPY3bn in loans, which would result in JPY3bn of cash being booked on the asset side of the balance sheet and JPY3bn of interest-bearing debt on the liabilities side although this would mean net cash (interest bearing debt less cash & deposits) to be zero.



When GES asked for an explanation of how far With us intends to continue building up net cash, adding that GES does not deny the Company's claim that it needs to maintain a robust financial position and sufficient internal reserves, it received no response from Mr. Kamota. Instead, President Ikoma stepped in with a non-committal reply, saying that he could not give specific numerical figures, but that he believes the Company will use the funds as and when needed, and it hopes to do so in a way that will increase corporate value. It is very difficult to argue that management is fulfilling its duty of transparency and accountability to shareholders by providing such a vague explanation despite the build-up of net cash to around 45% of market cap. Unfortunately, the situation leaves grave doubts about whether management, and the NEDs who exercise oversight over them, have a fitting level of literacy in corporate finance to manage a publicly traded company.

It became evident at the General Shareholders' Meeting that With us management had expressed opposition to GES's shareholder proposal for a higher dividend, without having a basic financial policy governing how far it will build up net cash and what the cash will be used for. With us management is oblivious to the detrimental effect on corporate and shareholder values of having a huge net cash position that completely disregards capital efficiency. In addition, a corporate culture that unthinkingly hoards cash is clearly at odds with the TSE's call for management to take "more consideration of cost of capital and profitability based on the balance sheet".

#### **Confirmed that anti-takeover measures will also be applied to the founder & associates**

When management expressed opposition to Proposal No.12: Partial amendment to Articles of Incorporation (application of anti-takeover measures to the founder and associates), it explained that the measures will not be applied to any parties already pre-approved by the Board of Directors. At the General Shareholders' Meeting, GES asked whether, at present, there are any parties including the founder and associates that have already been pre-approved by the Board of Directors, and whether the founder and associates are also subject to the anti-takeover measures. In response, management said there are currently no parties that have been pre-approved by the Board of Directors, and that the measures will also be effective against any moves by the founder and associates to increase their shareholdings.

GES believes that the submission of the shareholder proposals resulted in the above matters being brought to the attention of With us shareholders at the General Shareholders' Meeting, raising awareness of the need for greater discipline on management and the Board of Directors. The proposals should therefore contribute to future financial discipline and improved governance. By continuing to engage in constructive dialogue with With us management, GES hopes to help fix critical governance issues at With us that were not resolved at the General Shareholders' Meeting, achieve management that genuinely pursues capital efficiency, and pursues to promote increasing corporate and shareholder values at With us.

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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).

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