



June 6, 2025

A&D HOLON Holdings Company, Limited  
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### **Our Opinion on the ISS Report Regarding Proposal No. 3 at the 48th Annual General Meeting of Shareholders**

We have acknowledged that Institutional Shareholder Services, Inc. (hereinafter referred to as “ISS”), a proxy advisory firm, has issued an English-language report (hereinafter referred to as “the Report”) recommending a vote against Mr. Shigeo Kobayashi, our candidate for an outside auditor, under Proposal No. 3 at the 48th Annual General Meeting of Shareholders (hereinafter referred to as “the AGM”) scheduled to be held on June 25, 2025.

Our views regarding Proposal No. 3 are outlined in the “Reference Documents for the General Meeting of Shareholders” included in the Notice of Convocation for the AGM. However, we would like to explain our opinion on this report as follows.

We respectfully ask our shareholders for their renewed understanding for this proposal.

#### **1. Subject Proposal**

Proposal No. 3: Election of One Audit & Supervisory Board Member  
Candidate: Shigeo Kobayashi

#### **2. Content of the ISS Recommendation Against the Proposal**

ISS has recommended voting against Mr. Shigeo Kobayashi on the grounds that he previously worked for KPMG AZSA LLC, our accounting auditor, and therefore does not meet ISS’s criteria for independence.

According to ISS’s proprietary “Japan Proxy Voting Guidelines 2025,” individuals who have worked for the company’s audit firm are deemed not to be independent.

#### **3. Our Opinion**

Shigeo Kobayashi was previously a partner at KPMG AZSA LLC, the Company's accounting auditor, but left the firm in June 2019. While employed at the firm, he was not involved in the Company's accounting audit at all. In addition, since he has had no relationship with the Company since leaving the firm, we believe that his independence is sufficiently ensured.

Additionally, he meets the requirements for Independent Directors/Auditors as defined by the Tokyo Stock Exchange. If he is appointed as an auditor, we will notify the Exchange of his status as an Independent Auditor.

He has practical experience as a certified public accountant and experience in company management, and we would like him to reflect on his professional insight and experience in our audit work and utilize it in monitoring overall management, so we are requesting his election as an outside auditor.