

June 8, 2021

Dear all,

Inui Global Logistics Co., Ltd.
Representative Director, President: Inui Yasuyuki
(Securities Code 9308 first section of TSE)
Contact: Executive Officer, in charge of corporate management
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Opinion in Relation to ISS Recommendation Against Item 5 of the 101st General Shareholders' Meeting of Inui Global Logistics Co., Ltd.,

It has come to our knowledge that Institutional Shareholder Services Inc. (“ISS”) has recommended against item 5 of the 101st General Shareholders' Meeting of Inui Global Logistics Co., Ltd., (“us” “we” or the “Company”) to be held on June 23, 2021, which is in relation to the abolition of current takeover defense plan and introduction of a new takeover defense plan (“New Plan”) targeting a specific shareholder(s).

In light of this recommendation, we would like to provide some supplementary explanation to our valued shareholders and investors, to provide you with a better understanding of our intentions and a clear insight as to what we aim to achieve with this New Plan.

We sincerely request that you take the following into due consideration for the voting at upcoming shareholders' meeting.

I. Summary of ISS's Report

(1) If this New Plan is voted down, the takeover defense plan currently in place resolved at the board of directors meeting on May 14, 2019 and approved at the General Shareholders Meeting on June 21, 2019, (hereinafter referred to as the “Current Plan”) will continue to be in force. The differences between the Current Plan and the New Plan will therefore be the key to determining whether to vote for or against this item. Accordingly, ISS has found that the Current Plan, as compared to, this New Plan is disadvantageous to the shareholders for the following reasons.

- i. This New Plan eliminates the requirement for a resolution at the shareholders' meeting to trigger the poison pill;
- ii. This New Plan can only be abolished by a board of directors' resolution, while the Current Plan can be abolished by a shareholders' meeting as well.

- iii. The Current Plan expired in June 2022, while this New Plan would continue until June 2024.
- (2) Even if this New Plan is voted down, the Current Plan is effective against Alphaleo Holdings GK (hereinafter referred to as “**Alphaleo**”), and will serve to the needs for the Company.

II. Our opinion

- 1. By limiting the application of the New Plan to a specified shareholder group including Alphaleo, this New Plan is more beneficial to our general shareholders than the Current Plan.**

As explained above, ISS came to the conclusion that the New Plan is disadvantageous to our shareholders, by comparing the New Plan to the Current Plan, raising very superficial points about (i) the procedure to trigger the poison pill; (ii) the procedure to abolish the plan; and (iii) duration of the plan. **This analysis completely turns a blind eye to the fact that, by limiting the New Plan’s application to Alphaleo and its associated entities and parties (the “Alphaleo Group”), the New Plan significantly limits the board of directors’ discretion, thereby significantly increasing the predictability for our shareholders – the most significant aspect of this New Plan that is beneficial to our shareholders.**

In addition, **we believe that ISS's opinion that this New Plan contains disadvantageous changes from the Current Plan for the shareholders is overlooking the essential differences between the New Plan and the Current Plan as described above and focuses only on the incidental adjustments that occur as a result of limiting the New Plan’s scope to the Alphaleo Group. Such opinion fails to capture the essence of this New Plan.**

This New Plan is in line with the Company's Articles of Incorporation, and compared to the Current Plan, it strictly limits the scope of the board of directors' discretion and drastically improves the predictability for shareholders. We hope that our shareholders will duly understand that the New Plan is an improvement to the Current Plan that further focuses on the common interests of the shareholders.

- 2. Comparing the New Plan against the Current Plan (Summary of ISS’s Report (1))**

As mentioned above, the ISS's opinion has dismissed the fact the New Plan was made by focusing on drastically improving the predictability for our shareholders by limiting the discretion of the board of

directors. We believe that this analysis is based on material mistakes of fact.

First, the matters raised by ISS in (i) and (ii) in the Summary of ISS's Report, are not in any way disadvantageous to our shareholders, as demonstrated below:

- i. **As of March 31, 2021, Alphaleo already owns 7,819,500 shares (31.50% of the voting rights) of the Company. Therefore, if this New Plan requires a shareholders' resolution to trigger the poison pill without any exceptions, there is a risk that the Alphaleo Group will manage to force its way through acquisitions in the markets or otherwise, thereby holding enough votes to vote down such a resolution, before a shareholders' meeting can be convened. If such a situation arises, it would simply be too late to protect the Company's enterprise value, or to protect the common interests of the shareholders.**

Additionally, the New Plan provides that independent Special Committee Members can advise the board of directors to confirm our shareholder's will through a shareholders' meeting, in which case the board of directors are to make a decision in regard to the poison pill, taking the committee's advice into consideration as much as possible, unless there is a clear conflict with the director's duty of care.

- ii. Alphaleo has repeatedly exercised the right to request an extraordinary shareholders' meeting to abolish the Current Plan since May 2020. We are afraid that even after the approval of this New Plan by the shareholders' meeting, Alphaleo will continue exercising its right to request for shareholders' meetings to abolish the New Plan. We do not intend to deny the importance of the shareholders being able to abolish a takeover defense plan in every case. However, for this case, we believe it is in the best interests of the Company and our shareholders, to make the abolishment of the New Plan a matter to be decided by the board of directors for the following reasons:

- (i) **First of all, while Article 50 of the Articles of Incorporation of the Company states in paragraph 1 that "a shareholders' resolution is required to introduce a takeover defense plan", paragraph 2 states that "the board of directors may abolish the takeover defense plan at any time". This should be interpreted, that the abolition of the takeover defense measures at the Company is meant to be conducted by the board of directors alone. This would also mean that there are some inconsistencies between the Current Plan not completely consistent and the provisions of our Articles of Incorporation, and therefore, the Current Plan must be revised;**
- (ii) **If the New Plan was to be drafted so that it can be abolished by a shareholders'**

resolution, the Alphaleo Group will continue exercising its right to request to convene an extraordinary shareholders meeting for that purpose. This will not only be costly, but it will also eat up valuable time and resources that would otherwise be used to implement positive developments for the Company;

- (iii) Should this New Plan be approved at the shareholders' meeting, it should be interpreted, that our shareholders consider it right for the New Plan to be implemented during the three (3) year duration of the New Plan; and
- (iv) Should our shareholders believe it is best to abolish this New Plan, they may do so by changing the members of the board of directors through a shareholders' meeting, and then holding a board of directors meeting to abolish the New Plan.

ISS also states that it advises against the new New Plan, as it would, when added with the duration of the Current Plan, exceed 3 years in duration. However, as mentioned above, the New Plan limits the scope of the New Plan to apply only on the Alphaleo group, and is intended to be a countermeasure against abuse of shareholder rights. Evidently, the New Plan is a completely different plan entirely, and it is not reasonable to combine the duration of the two plans. First and foremost, the Current Plan would be abolished if the New Plan is adopted, and as the New Plan will expire on June 2024 – the New Plan's duration is 3 years, and is not in any way a continuation of the Current Plan.

Even if this New Plan is to be evaluated as a continuation of the Current Plan, **the New Plan's aim is to protect the Company's enterprise value and common interest of our shareholders from the damage Alphaleo Group can cause, as Alphaleo makes numerous claims to dismiss the Company's directors and auditors, increasing its voting rights to 31.50%, and thereby raising concerns about a dispute over the Company's management and control in the near future. In such a situation, the total duration of a plan should not be the main cause for concern. We believe that a situation like this calls for an analysis of what is actually material, considering how Alphaleo has negatively impacted the Company's enterprise value and shareholder's interests.**

3. Whether the Current Plan is sufficiently effective (Summary of ISS's Report (2))

Although ISS is of the opinion that the Current Plan will continue to operate as an effective takeover defense plan against Alphaleo, we believe that the Current Plan is insufficient to protect the mid to long term enterprise value of the Company or to prevent any harm to the common interests of our shareholders, as it is ineffective against the situation where Alphaleo Group abuses its shareholder rights. We believe that there is a definitive need to introduce this New Plan, both for the benefit of the mid to long term enterprise value, and for the common interests of our shareholders.

4. Conclusion

Overlooking the difference between the Current Plan the proposed New Plan and only focusing on the incidental effects brought about by limiting the scope of the New Plan to the Alphaleo Group, ISS's report has failed to capture the essence of this New Plan, by stating as if the change will be disadvantageous towards our shareholders. All the points that ISS has raised as the basis of its reason to advise opposing the proposal have serious mistakes of facts, and therefore, ISS's opposing advice does not have any reasonable grounds. This New Plan, compared to the Current Plan, reflects our shareholder's wishes and drastically increases the shareholder's predictability by limiting the board of directors' discretion. Our hope is that our shareholders will see this New Plan for what it truly is; a plan that is made to better focus on the common interests of our shareholders.

We would like to once again reiterate that Alphaleo has, since the Current Plan came into effect:

- (i) Exercised the right to request for two extraordinary shareholders' meetings to abolish the Current Plan;
- (ii) At the extraordinary shareholders' meeting on May 7, 2020, held by Alphaleo with the court's approval, Alphaleo attempted to limit the entry of shareholders holding the power of attorneys obtained by proxy solicitation;
- (iii) Ignored all requests for information to Alphaleo based on a resolution that was resolved by the shareholders on June 19, 2020, which was a necessary step for the Company to hold constructive discussions with Alphaleo;
- (iv) Fails to provide its financial statement which Alphaleo is required to disclose under the Tokyo Stock Exchange regulations;
- (v) Submitted 13 items to the shareholders' meeting for resolution within 3 years, all of which has been voted down by the shareholders;
- (vi) Made claims to view the Company's accounting books under the Companies Act, twice within 6 months;
- (vii) Commenced 8 litigations against the Company within 2 years.

Considering above situation, there is a real risk that Alphaleo's mass acquisition of shares or abuse of shareholder's rights will severely damage the Company's mid to long term enterprise value and the common interests of our shareholders. That is why we believe that the introduction of this New Plan is exactly what we need to protect what is most important to us; your shareholder interests.