

August 6, 2024

To whom it may concern

Company Name: KIRIN HOLDINGS COMPANY, LIMITED

Name and Title of Representative: Takeshi Minakata, President & COO

Code Number: 2503 (Tokyo Stock Exchange, Prime Market)

Name and Title of Contact Person:

Naomi Sasaki,

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**(Delayed) Notice Concerning Changes to Terms and Conditions of Tender Offer for Shares.
Etc. of FANCL Corporation (Code Number: 4921)**

On June 17, 2024, Kirin Holdings Company, Limited (the “Tender Offeror”) commenced a tender offer (the “Tender Offer”) for shares, etc. of FANCL Corporation (which is listed on the Prime Market of the Tokyo Stock Exchange, Inc., code number: 4921; the “Target Company”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”), and the Tender Offeror determined by the resolution of its Board of Directors meeting held on August 6, 2024 to change the purchase price per share of common stock of the Target Company (the “Target Company Shares”) in the Tender Offer (the “Tender Offer Price”) from 2,690 yen to 2,800 yen, to extend the period of the Tender Offer (the “Tender Offer Period”) to August 28, 2024, for a total of 51 business days, to make the Tender Offer Price after such changes final, to make no change in the Tender Offer Price in the future, and to make no additional extension of the Tender Offer Period at its own discretion unless required under the Act, after taking into consideration the overall situation of, among others, the applications to the Tender Offer, as well as the prospects for future applications.

Accordingly, the Tender Offeror announces that the “Notice Regarding Commencement of Tender Offer for Shares, Etc. of FANCL Corporation (Securities Code:4921)” dated June 14, 2024 (including changes stated in the “(Change) Notice Concerning Changes to ‘Notice Regarding Commencement of Tender Offer for Shares, Etc. of FANCL Corporation (Code Number: 4921)’ and Public Notice of the Tender Offer Following Filing of Amendment to Tender Offer Registration Statement” dated June 26, 2024 and the “Notice Concerning Changes to Terms and Conditions of Tender Offer for Shares, Etc. of FANCL Corporation (Code Number: 4921)” dated

July 29, 2024) has been changed as detailed below. The changed portions are underlined.

1. Purpose of Tender Offer

(1) Overview of the Tender Offer

(Before Change)

<Omitted>

The Tender Offeror determined by the resolution of its Board of Directors meeting as of today to implement the Tender Offer as part of the transaction for the purpose of acquiring all of the Target Company Shares and all of the Stock Acquisition Rights (excluding the Target Company Shares held by the Tender Offeror and the treasury shares held by the Target Company) and making the Target Company a wholly-owned subsidiary of the Tender Offeror (the “Transaction”).

The Tender Offeror then commenced the Tender Offer on June 17, 2024, and, after taking into consideration the overall situation of, among others, the applications to the Tender Offer since its commencement, as well as the prospects for future applications, made by the shareholders of the Target Company and the Stock Acquisition Rights Holders, and, in order to provide the shareholders of the Target Company and the Stock Acquisition Rights Holders with further opportunities to make a decision on whether to tender their shares in the Tender Offer, the Tender Offeror determined, on July 29, 2024, to extend the Tender Offer Period to August 13, 2024, for a total of 40 business days. The Tender Offeror believes that the purchase price of 2,690 yen per share of the Target Company Shares in the Tender Offer sufficiently reflects the value of the Target Company and doesn’t change the Tender Offer Price or the Stock Acquisition Rights Purchase Prices.

<Omitted>

(After Change)

<Omitted>

The Tender Offeror determined by the resolution of its Board of Directors meeting as of today to implement the Tender Offer as part of the transaction for the purpose of acquiring all of the Target Company Shares and all of the Stock Acquisition Rights (excluding the Target Company Shares held by the Tender Offeror and the treasury shares held by the Target Company) and making the Target Company a wholly-owned subsidiary of the Tender Offeror (the “Transaction”).

The Tender Offeror then commenced the Tender Offer on June 17, 2024, and, after taking into consideration the overall situation of, among others, the applications to the Tender Offer since its commencement, as well as the prospects for future applications, made by the shareholders of the Target Company and the Stock Acquisition Rights Holders, and, in order to provide the shareholders of the Target Company and the Stock Acquisition Rights Holders with further opportunities to make a decision on whether to tender their shares in the Tender Offer, the Tender Offeror determined, on July 29, 2024, to extend the Tender Offer Period to August 13, 2024, for a total of 40 business days. The Tender Offeror announced that the Tender Offeror believes that the purchase price of 2,690 yen per share of the Target Company Shares in the Tender Offer (the “Tender Offer Price”) sufficiently reflects the value of the Target Company and doesn’t change the Tender Offer Price or the Stock Acquisition Rights Purchase Prices.

Since the Tender Offeror determined the above extension of the Tender Offer Period, the Tender Offeror has continued to closely monitor the situation of market trading of the Target Company Shares, the overall situation of the applications to the Tender Offer, and the prospects for future applications thereto to be made by the shareholders of the Target Company, and, taking into consideration, among other things, (i) the fact that the market price of the Target Company Shares shifted, maintaining a higher price than the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (as defined below; hereinafter the same applies) (2,690 yen), even after the extension of the Tender Offer Period, and (ii) the prospects for future applications to the Tender Offer under such situations, the Tender Offeror came to believe it necessary to consider providing the shareholders of the Target Company with opportunities to sell their shares at a higher price than the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc. and securing for the shareholders of the Target Company a period of time to fully consider the application for the Tender Offer in light of the change in the Tender Offer Price due to the Changes to Terms and Conditions of Tender Offer for Shares, Etc., in order to enhance the certainty to complete the Tender Offer. As such, and in line with such thinking, on July 30, 2024, the Tender Offeror notified the Target Company that the Tender Offeror was considering changing the Tender Offer Price from 2,690 yen to 2,800 yen and extending the Tender Offer Period to August 21, 2024 or August 28, 2024.

In response to the above, on August 1, 2024, the Tender Offeror received a request from the Target Company to reconsider changing the Tender Offer Price to a level at least higher than the closing price of the Target Company Shares as of August 5, 2024, the day immediately preceding the announcement date of the Changes to Terms and Conditions of

Tender Offer for Shares, Etc., given the shift in the market price of the Target Company Shares since July 29, 2024.

In view of such request from the Target Company, on August 1, 2024, the Tender Offeror responded to the Target Company to the effect that (i) the Tender Offeror would like the Target Company to maintain the Affirmative Opinion (as defined in “(3) Matters Concerning Material Agreements Related to Tender Offer” below; hereinafter the same applies) because the Tender Offeror believes that the Tender Offer Price per share of the Target Company, 2,800 yen, is a favorable change for the general shareholders of the Target Company in that the Tender Offeror increases the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc., and that (ii) the Tender Offeror cannot raise the Tender Offer Price to exceed 2,800 yen because it cannot raise it above the valuation that the Tender Offeror considers reasonable based on its investment criteria and other factors, taking into consideration the Tender Offeror’s accountability to its shareholders.

In response to the above, on August 2, 2024, the Tender Offeror received again a request from the Target Company to consider raising the Tender Offer Price. In response to such request from the Target Company, on August 2, 2024, the Tender Offeror communicated to the Target Company to the effect that the Tender Offer Price per share of the Target Company, 2,800 yen, is the maximum valuation that the Tender Offeror considers reasonable based on the Tender Offeror’s investment criteria and other factors, and that the Tender Offeror will not raise the Tender Offer Price to exceed 2,800 yen.

In response to the above, on August 5, 2024, the Tender Offeror received a response from the Target Company stating that, with the understanding that the Tender Offer Price has been raised to the maximum price for the Tender Offeror, it would accept the proposal to change the Tender Offer Price from 2,690 yen to 2,800 yen, and would maintain an opinion in favor of the Changes to Terms and Conditions of Tender Offer for Shares, Etc. and an opinion recommending its shareholders to tender their shares in the Tender Offer, with the reservation that the final decision-making of the Target Company shall be determined after the resolution of the Target Company’s Board of Directors based upon the report, etc. of the Special Committee (as defined in “(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer,” “b. Process Leading to and Reasons for Decision of Target Company in Favor of the Tender Offer” below; hereinafter the same applies).

Given the above, the Tender Offeror determined at the Board of Directors meeting held on August 6, 2024, that it would change the Tender Offer Price from 2,690 yen to 2,800 yen

and that it would extend the Tender Offer Period to August 28, 2024, for a total of 51 business days (the “Changes to Terms and Conditions of Tender Offer for Shares, Etc.”). At such meeting, the Tender Offeror also decided to make the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. final, make no change in the Tender Offer Price thereafter and make no additional extension of the Tender Offer Period at its own discretion unless required under the Act.

According to the Target Company’s press release, “(Change) Notice regarding the partial changes to the ‘Notice of Expression of Our Affirmative Opinion regarding, and Recommendation to Tender in, the Tender Offer for the Company’s Shares etc. by Kirin Holdings Company, Limited’” released as of August 6, 2024, (the “Target Company’s Press Release After Changes”), the Target Company, at its Board of Directors meeting held on the same date, carefully discussed and reviewed the Changes to Terms and Conditions of Tender Offer for Shares, Etc., based on the opinion of the Special Committee, and resolved that the Target Company would (i) continue to express its affirmative opinion regarding the Tender Offer, and (ii) maintain an opinion recommending its shareholders to tender their shares in the Tender Offer, and leaving the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer, based on the reason stated in “(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer,” “b. Process Leading to and Reasons for Decision of Target Company in Favor of the Tender Offer” below. As to the details of the above-mentioned resolution of the Board of Directors’ meeting of the Target Company, please refer to the Target Company’s Press Release After Changes and “(4) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest,” “h. Receipt of Approval of Majority of Disinterested Directors of the Target Company and the Opinion of All Disinterested Board of Company Auditors Members of the Target Company that They Have No Objection.” below.

<Omitted>

- (2) Background, Purpose, and Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer
 - a. Background, Purpose, and Decision-making Process of the Tender Offer

(Before Change)

<Omitted>

As a result of the above, on June 13, 2024, the Tender Offeror and the Target Company agreed to set the Tender Offer Price at 2,690 yen (2,690 yen is the amount obtained by adding up each of the following premiums: a premium of 42.06 % on 1893.5 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on June 12, 2024, the business day immediately preceding the date on which the agreement was reached, i.e., June 13, 2024; a premium of 35.93% on 1,979 yen, which was the simple average of the closing prices for the preceding one (1) month period until the same date; a premium of 37.04% on 1,963 yen, which was the simple average of the closing prices for the preceding three (3) month period until the same date; and a premium of 27.97% on 2,102 yen, which was the simple average of the closing prices for the preceding six (6) month period until the same date.) and set the Stock Acquisition Right Purchase Price at 1 yen.

Therefore, the Tender Offeror entered into the Tender Offer Agreement (as defined in “(3) Matters Concerning Material Agreements Related to Tender Offer” below; hereinafter the same applies) as of June 14, 2024, and decided to implement the Tender Offer as part of the Transaction. For details of the Tender Offer Agreement, please refer to “(3) Matters Concerning Material Agreements Related to Tender Offer” below.

(After Change)

<Omitted>

As a result of the above, on June 13, 2024, the Tender Offeror and the Target Company agreed to set the Tender Offer Price at 2,690 yen (2,690 yen is the amount obtained by adding up each of the following premiums: a premium of 42.06 % on 1893.5 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on June 12, 2024, the business day immediately preceding the date on which the agreement was reached, i.e., June 13, 2024; a premium of 35.93% on 1,979 yen, which was the simple average of the closing prices for the preceding one (1) month period until the same date; a premium of 37.04% on 1,963 yen, which was the simple average of the closing prices for the preceding three (3) month period until the same date; and a premium of 27.97% on 2,102 yen, which was the simple average of the closing prices for the preceding six (6) month period until the same date.) and set the Stock Acquisition Right Purchase Price at 1

yen.

Therefore, the Tender Offeror entered into the Tender Offer Agreement (as defined in “(3) Matters Concerning Material Agreements Related to Tender Offer” below; hereinafter the same applies) as of June 14, 2024, and decided to implement the Tender Offer as part of the Transaction. For details of the Tender Offer Agreement, please refer to “(3) Matters Concerning Material Agreements Related to Tender Offer” below.

The Tender Offeror then commenced the Tender Offer on June 17, 2024, and, after taking into consideration the overall situation of, among others, the applications to the Tender Offer since its commencement, as well as the prospects for future applications, made by the shareholders of the Target Company and the Stock Acquisition Rights Holders, and, in order to provide the shareholders of the Target Company and the Stock Acquisition Rights Holders with further opportunities to make a decision on whether to tender their shares in the Tender Offer, the Tender Offeror determined, on July 29, 2024, to extend the Tender Offer Period to August 13, 2024, for a total of 40 business days. The Tender Offeror announced that the Tender Offeror believes that the purchase price of 2,690 yen per share of the Target Company Shares in the Tender Offer (the “Tender Offer Price”) sufficiently reflects the value of the Target Company and announced that the Tender Offeror doesn’t change the Tender Offer Price or the Stock Acquisition Rights Purchase Prices.

Since the Tender Offeror determined the above extension of the Tender Offer Period, the Tender Offeror has continued to closely monitor the situation of market trading of the Target Company Shares, the overall situation of the applications to the Tender Offer, and the prospects for future applications thereto to be made by the shareholders of the Target Company, and, taking into consideration, among other things, (i) the fact that the market price of the Target Company Shares shifted, maintaining a higher price than the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (as defined below; hereinafter the same applies) (2,690 yen), even after the extension of the Tender Offer Period, and (ii) the prospects for future applications to the Tender Offer under such situations, the Tender Offeror came to believe it necessary to consider providing the shareholders of the Target Company with opportunities to sell their shares at a higher price than the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc. and securing for the shareholders of the Target Company a period of time to fully consider the application for the Tender Offer in light of the change in the Tender Offer Price due to the Changes to Terms and Conditions of Tender Offer for Shares, Etc., in order to enhance the certainty to complete the Tender Offer. As such, and in line with such thinking, on July 30, 2024, the Tender Offeror notified the Target Company that the

Tender Offeror was considering changing the Tender Offer Price from 2,690 yen to 2,800 yen and extending the Tender Offer Period to August 21, 2024 or August 28, 2024.

In response to the above, on August 1, 2024, the Tender Offeror received a request from the Target Company to reconsider changing the Tender Offer Price to a level at least higher than the closing price of the Target Company Shares as of August 5, 2024, the day immediately preceding the announcement date of the Changes to Terms and Conditions of Tender Offer for Shares, Etc., given the shift in the market price of the Target Company Shares since July 29, 2024.

In view of such request from the Target Company, on August 1, 2024, the Tender Offeror responded to the Target Company to the effect that (i) the Tender Offeror would like the Target Company to maintain the Affirmative Opinion because the Tender Offeror believes that the Tender Offer Price per share of the Target Company, 2,800 yen, is a favorable change for the general shareholders of the Target Company in that the Tender Offeror increases the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc., and that (ii) the Tender Offeror cannot raise the Tender Offer Price to exceed 2,800 yen because it cannot raise it above the valuation that the Tender Offeror considers reasonable based on its investment criteria and other factors, taking into consideration the Tender Offeror's accountability to its shareholders.

In response to the above, on August 2, 2024, the Tender Offeror received again a request from the Target Company to consider raising the Tender Offer Price. In response to such request from the Target Company, on August 2, 2024, the Tender Offeror communicated to the Target Company to the effect that the Tender Offer Price per share of the Target Company, 2,800 yen, is the maximum valuation that the Tender Offeror considers reasonable based on the Tender Offeror's investment criteria and other factors, and that the Tender Offeror will not raise the Tender Offer Price to exceed 2,800 yen.

In response to the above, on August 5, 2024, the Tender Offeror received a response from the Target Company stating that, with the understanding that the Tender Offer Price has been raised to the maximum price for the Tender Offeror, it would accept the proposal to change the Tender Offer Price from 2,690 yen to 2,800 yen, and would maintain an opinion in favor of the Changes to Terms and Conditions of Tender Offer for Shares, Etc. and an opinion recommending its shareholders to tender their shares in the Tender Offer, with the reservation that the final decision-making of the Target Company shall be determined after the resolution of the Target Company's Board of Directors based upon the report, etc. of the Special Committee.

Given the above, the Tender Offeror determined at the Board of Directors meeting held on August 6, 2024, that it would change the Tender Offer Price from 2,690 yen to 2,800 yen and that it would extend the Tender Offer Period to August 28, 2024, for a total of 51 business days. At such meeting, the Tender Offeror also decided to make the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. final, make no change in the Tender Offer Price thereafter and make no additional extension of the Tender Offer Period at its own discretion unless required under the Act. The Tender Offeror believes that the Tender Offer with the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (2,800 yen) would provide the shareholders of the Target Company with a reasonable opportunity to sell the Target Company Shares, in light of the fact that such price is the amount obtained by adding up each of the following premiums: a premium of 48.58% on 1,884.5 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on June 13, 2024, the business day immediately preceding the announcement date of the Tender Offer, i.e., June 14, 2024; a premium of 41.84% on 1,974 yen, which was the simple average of the closing prices for the preceding one (1) month period until the same date; a premium of 42.78% on 1,961 yen, which was the simple average of the closing prices for the preceding three (3) month period until the same date; and a premium of 33.40% on 2,099 yen, which was the simple average of the closing prices for the preceding six (6) month period until the same date.

- b. Process Leading to and Reasons for Decision of Target Company in Favor of the Tender Offer

(Before Change)

<Omitted>

Thereafter, on June 12, 2024, the Target Company received the Fifth Proposal from the Tender Offeror to render the Tender Offer Price as 2,690 yen and the Stock Acquisition Right Purchase Price as 1 yen on June 12, 2024. In response to this, on June 13, 2024, the Target Company replied that it accepts the Fifth Proposal to render the Tender Offer Price as 2,690 yen, with the reservation that the final decision-making of the Target Company shall be determined after the resolution of the Target Company's Board of Directors based upon the report, etc. of the Special Committee.

<Omitted>

As per the above, the Target Company determined that the Transaction contributes to the enhancement of the Target Company's corporate value, and that the Tender Offer Price and the Stock Acquisition Right Purchase Price are adequate prices securing the interests which should be enjoyed by the Target Company's shareholders and Stock Acquisition Rights Holders, and that the Tender Offer provides a reasonable opportunity for the Target Company's shareholders and Stock Acquisition Rights Holders to sell the shares and Stock Acquisition Rights, and at the Target Company's Board of Directors meeting held on June 14, 2024, the Target Company resolved to express its affirmative opinion regarding the Tender Offer, and to recommend its shareholders to tender their shares in the Tender Offer, and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer. For the details of such Board of Director's decision-making process, please refer to "(4) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest," "h. Unanimous Approval by All of the Non-Interested Directors and No Dissenting Opinion of the Non-Interested Board of Company Auditors Members at the Target Company" below.

(After Change)

<Omitted>

Thereafter, on June 12, 2024, the Target Company received the Fifth Proposal from the Tender Offeror to render the Tender Offer Price as 2,690 yen and the Stock Acquisition Right Purchase Price as 1 yen on June 12, 2024. In response to this, on June 13, 2024, the Target Company replied that it accepts the Fifth Proposal to render the Tender Offer Price as 2,690 yen, with the reservation that the final decision-making of the Target Company shall be determined after the resolution of the Target Company's Board of Directors based upon the report, etc. of the Special Committee.

Thereafter, on July 30, 2024, the Target Company received a notification from the Tender Offeror to the effect that it was considering changing the Tender Offer Price from 2,690 yen to 2,800 yen and extending the Tender Offer Period to August 21, 2024 or August 28, 2024. In response, the Target Company made a request to the Tender Offeror to reconsider to increase the Tender Offer Price up to a standard above the closing price of the share value of the Target Company on the day prior to the day of announcement of the Changes to Terms and Conditions of Tender Offer for Shares, Etc. at least, in light of the fact that the share value of the Target Company was fluctuating substantially above such standard on

and after July 29, 2024.

Thereafter, on August 1, 2024, the Target Company received a reply from the Tender Offeror that the Tender Offeror requests the Target Company to maintain its affirmative opinion since the Tender Offeror considers that the Tender Offer Price of 2,800 yen per one (1) Target Company Share is a change advantageous for the Target Company's general shareholders in that it increases the Tender Offer Price prior to the Changes to Terms and Conditions of Tender Offer for Shares, Etc. In response, on August 2, 2024, the Target Company made a request to the Tender Offeror to reconsider so that the Tender Offeror increases the Tender Offer Price enabling determination by the Special Committee, upon sufficiently considering the interests of the Target Company's shareholders other than the Tender Offeror, on the grounds that it is difficult for the Special Committee to determine at such time whether or not to recommend the Target Company's shareholders other than the Tender Offeror to tender in the Tender Offer on the premise of the Tender Offer Price.

Thereafter, on August 2, 2024, the Target Company received a reply from the Tender Offeror that the Tender Offeror considers that the Tender Offer Price is the maximum evaluation amount which the Tender Offeror considers appropriate based upon such matters as the Tender Offeror's investment standard, and that the Tender Offeror would not increase it to an amount above the Tender Offer Price. Towards this, on August 5, 2024, the Target Company, upon making the reservation that the final decision-making of the Target Company would be determined with the resolution of the Target Company's Board of Directors based upon such matters as the Report of the Special Committee, and with the understanding that the Tender Offeror has increased the Tender Offer Price to the maximum amount, replied that the Target Company accepts the proposal to render the Tender Offer Price as 2,800 yen, and that the Target Company maintains its affirmative opinion to the Change of Tender Offer Terms and its opinion to recommend the Target Company's shareholders to tender in the Tender Offer.

<Omitted>

As per the above, the Target Company determined that the Transaction contributes to the enhancement of the Target Company's corporate value, and that the Tender Offer Price and the Stock Acquisition Right Purchase Price are adequate prices securing the interests which should be enjoyed by the Target Company's shareholders and Stock Acquisition Rights Holders, and that the Tender Offer provides a reasonable opportunity for the Target Company's shareholders and Stock Acquisition Rights Holders to sell the shares and Stock Acquisition Rights, and at the Target Company's Board of Directors meeting held on June 14, 2024, the Target Company resolved to express its affirmative opinion regarding the

Tender Offer, and to recommend its shareholders to tender their shares in the Tender Offer, and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer. Thereafter, following the Tender Offeror's decision to make the Changes to Terms and Conditions of Tender Offer for Shares, Etc. at its Board of Directors meeting held on August 6, 2024, the Target Company, at its Board of Directors meeting held on August 6, 2024, carefully discussed and reviewed the Changes to Terms and Conditions of Tender Offer for Shares, Etc., based on the opinion of the Special Committee, and resolved to continuously express its affirmative opinion to the Tender Offer, as well as to maintain its opinion to recommend the Target Company's shareholders to tender in the Tender Offer and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer, since the Target Company deemed that, with respect to the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc., (i) it is an amount agreed upon as a result of engaging in sufficient negotiations with the Tender Offeror with the substantial involvement of the Special Committee, upon sufficient measures being taken to ensure the fairness of the transaction terms related to the Transaction including the Tender Offer Price described in "(4) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest" below, on and after the time that the Target Company was informed by the Tender Offeror that it was considering to change the Tender Offer Price, as described in "(ii) Review and negotiation process" above, (ii) it received an explanation from UBS Securities and PLUTUS and confirmed that there are no material changes to the information such as earnings and investment plans in the Business Plan which forms the basis of the Share Valuation Report (UBS Securities) and the Share Valuation Report (PLUTUS), (iii) from among the calculation results of the share value of the Target Company Shares in the Share Valuation Report (UBS Securities), the amount is above the scope of the calculation results by the market share price method and the comparable company analysis, and the amount is within the scope of the calculation results by the DCF method and above the median of the range, (iv) from among the calculation results of the share value of the Target Company Shares in the Share Valuation Report (PLUTUS), the amount is above the scope of the calculation results by the market share price method and the comparable company analysis, and the amount is within the scope of the calculation results by the DCF method and above the median of the range, (v) it is an amount adding a premium of 48.58% on 1,884.5 yen, the closing price of the Target Company Shares in the Prime Market of the TSE on June 13, 2024, the business day preceding June 14, 2024, the date of announcement of the Tender Offer, and an amount adding a premium of 41.84% on 1,974 yen, the simple average of the

closing prices for the immediately preceding one (1) month till such date, and an amount adding a premium of 42.78% on 1,961 yen, the simple average of the closing prices for the immediately preceding three (3) months till such date, and an amount adding a premium of 33.40% on 2,099 yen, the simple average of the closing prices for the immediately preceding six (6) months till such date, and even in comparison with the twenty nine (29) cases (the average value/median value of the premium standard are as follows: 43.0%/40.5% immediately prior to the date of announcement, 45.4%/43.1% for the immediately preceding one (1) month, 48.9%/46.1% for the immediately preceding three (3) months, and 49.9%/50.3% for the immediately preceding six (6) months) of takeover bid transactions (transactions with the aim of rendering consolidated subsidiaries and affiliates accounted for by the equity method as wholly owned subsidiaries by the listed parent company, or management buyout transactions) with conflict of interest relationship of a total transaction amount of 50,000,000,000 yen or more which were completed during the period from June 28, 2019, when the Ministry of Economy, Trade and Industry announced the “Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders’ Interests”, till May 31, 2024, the Target Company could evaluate that it is a reasonable standard attached with a reasonable premium comparing favorably in relation to the market share value on the business day immediately prior to the date of announcement and for the immediately preceding one (1) month (while the premiums for the simple average of the closing prices for the immediately preceding three (3) months and the simple average of the closing prices for the immediately preceding six (6) months respectively fall short of the premium standard above, the Target Company deems that the market share value of the Target Company Shares for the immediately preceding one (1) month formed after the announcement of the Target Company’s Summary of Financial Results and the Target Company’s Management Plan most reflects the Target Company’s corporate value, and deems that it is a reasonable standard by the securement of sufficient premium in relation to the market share value of such period). The Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. is an amount adding a premium of 1.76% on 2,751.5 yen, the closing price of the Target Company Shares on August 5, 2024, the business day immediately preceding August 6, 2024, the date of announcement of the Changes to Terms and Conditions of Tender Offer for Shares, Etc. and an amount adding a premium of 1.30% on 2,764 yen, the simple average of the closing price from June 17, 2024, the first day of the Tender Offer Period to August 5, 2024.

For the details of the above-mentioned Board of Director’s decision-making process for each of June 14, 2024 and August 6, 2024, please refer to “(4) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer

Price and to Avoid a Conflict of Interest,” “h. Receipt of Approval of Majority of Disinterested Directors of the Target Company and the Opinion of All Disinterested Board of Company Auditors Members of the Target Company that They Have No Objection” below.

- (4) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest
 - b. Procurement by the Target Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution
 - (i). Name of the valuation institution and relationship with the Target Company and the Tender Offeror

(Before Change)

In expressing its opinion related to the Tender Offer, in order to ensure the fairness of the decision-making process for the Tender Offer Price presented by the Tender Offeror, the Target Company requested UBS Securities, which is the Target Company’s financial advisor and third-party valuation institution independent from the Tender Offeror and the Target Company, to calculate the share value of the Target Company Shares and, on June 13, 2024, obtained the Share Valuation Report (UBS Securities) which is subject to the conditions precedent set forth in (Note 1) to B. below and other certain conditions. UBS Securities does not fall under a related party of the Target Company or the Tender Offeror, and has no material interest in the Transaction including the Tender Offer. The Target Company has not obtained from UBS Securities an opinion letter (fairness opinion) related to the fairness of the Tender Offer Price based upon other measures to ensure the fairness of the Tender Offer Price implemented in relation to the Transaction or measures to avoid conflicts of interest.

<Omitted>

(After Change)

In expressing its opinion related to the Tender Offer, in order to ensure the fairness of the decision-making process for the Tender Offer Price presented by the Tender Offeror, the Target Company requested UBS Securities, which is the Target Company’s financial advisor and third-party valuation institution independent from the Tender Offeror and the Target Company, to calculate the share value of the Target Company Shares and, on June 13, 2024, obtained the Share Valuation Report (UBS Securities) which is subject to the conditions precedent set forth in (Note 1) to B. below and other certain conditions.

Upon considering to express the Target Company's opinion regarding the Changes to Terms and Conditions of Tender Offer for Shares, Etc., since the Target Company was provided an explanation from UBS Securities and confirmed that there are no material changes to information such as earnings status or investment plan in the Business Plan upon which the Share Valuation Report (UBS Securities) was based, the Target Company has not newly obtained a Share Valuation Report regarding the share value of the Target Company Shares.

UBS Securities does not fall under a related party of the Target Company or the Tender Offeror, and has no material interest in the Transaction including the Tender Offer. The Target Company has not obtained from UBS Securities an opinion letter (fairness opinion) related to the fairness of the Tender Offer Price based upon other measures to ensure the fairness of the Tender Offer Price implemented in relation to the Transaction or measures to avoid conflicts of interest.

<Omitted>

- c. Establishment of independent Special Committee at the Target Company and procurement of a report from the Special Committee

(Before Change)

- (i) Background of establishment, etc.

<Omitted>

In addition, upon the establishment of the Special Committee, the Board of Directors meeting of the Target Company resolved that (i) the Target Company's Board of Directors shall respect to the maximum extent the decision of the Special Committee upon making decisions regarding the Transaction and that (ii) the Target Company's Board of Directors shall not agree to the Transaction if the Special Committee determines that the purpose or transaction terms of the Transaction are inadequate, and also resolved to grant the Special Committee the following authorities: (a) authority to perform examination related to the Transaction (including making inquiries and requesting explanations regarding the matters necessary for reviewing the Consultation Matters to the Target Company's officers and employees related to the Transaction as well as the Target Company's advisors related to the Transaction) at the Target Company's expense, (b) authority to approve the Target Company's review system (including attorneys, valuation institutions, certified public accountants and other advisors), (c) authority to request for a timely report of the circumstances, and to express its opinion, give

instructions and make requests under material situations when the Target Company negotiates such matters as the transaction terms with the Tender Offeror, and (d) authority to independently appoint attorneys, valuation institutions, certified public accountants and other advisors at the Target Company's expense as well as to request professional advice to the Target Company's advisors as necessary.

(ii) Process of the review

<Omitted>

- At the 11th Special Committee meeting held on June 6, 2024 and the 13th Special Committee meeting held on June 13, 2024, the Special Committee received an explanation from UBS Securities and U&I on the content of the draft of the Target Company's Press Release scheduled to be announced on June 14, 2024, held a question-and-answer session, and confirmed that complete information disclosure was planned to be made.

(iii) Details of the decision

Under the process above, based on legal advice received from MHM, advice received from PLUTUS, the Share Valuation Report (PLUTUS) and the Fairness Opinion received on June 13, 2024, the Special Committee submitted to the Company's Board of Directors on June 14, 2024 a Report with substantially the following contents under the unanimous agreement of all the committee members as a result of performing careful discussion and review regarding the Consultation Matters.

(a) Contents of the report

1. It is recognized that the Transaction contributes to the enhancement of the Target Company's corporate value and that the purposes of the Transaction are reasonable.
2. It is recognized that the appropriateness of the Tender Offer Price and the other transaction terms in the Transaction is ensured.
3. It is recognized that sufficient care for the interests of the minority shareholders of the Target Company is made through fair procedures in the Transaction.
4. It is recognized that the determination of the Transaction (including the Squeeze-Out Procedures) by the Target Company's Board of Directors is not disadvantageous to the minority shareholders of the Target Company.
5. The Company's Board of Directors should resolve to express its affirmative

opinion to the Tender Offer. With respect to whether or not to tender in the Tender Offer, the Target Company's Board of Directors should resolve to recommend its shareholders to tender their shares in the Tender Offer and to leave the decision up to the Stock Acquisition Rights Holders.

(b) Reasons for the report

<Omitted>

(After Change)

(i) Background of establishment, etc.

<Omitted>

In addition, upon the establishment of the Special Committee, the Board of Directors meeting of the Target Company resolved that (i) the Target Company's Board of Directors shall respect to the maximum extent the decision of the Special Committee upon making decisions regarding the Transaction and that (ii) the Target Company's Board of Directors shall not agree to the Transaction if the Special Committee determines that the purpose or transaction terms of the Transaction are inadequate, and also resolved to grant the Special Committee the following authorities: (a) authority to perform examination related to the Transaction (including making inquiries and requesting explanations regarding the matters necessary for reviewing the Consultation Matters to the Target Company's officers and employees related to the Transaction as well as the Target Company's advisors related to the Transaction) at the Target Company's expense, (b) authority to approve the Target Company's review system (including attorneys, valuation institutions, certified public accountants and other advisors), (c) authority to request for a timely report of the circumstances, and to express its opinion, give instructions and make requests under material situations when the Target Company negotiates such matters as the transaction terms with the Tender Offeror, and (d) authority to independently appoint attorneys, valuation institutions, certified public accountants and other advisors at the Target Company's expense as well as to request professional advice to the Target Company's advisors as necessary.

Thereafter, on July 30, 2024, the Target Company received a proposal from the Tender Offeror to change the Tender Offer Price to JPY 2,800 per one (1) Company Share and to change the Tender Offer Period from August 13, 2024 to August 21 to 28, 2024. (such proposal shall hereinafter be referred to as the "Proposal for

Change of Tender Offer Terms”). With regard to the Transaction, the Target Company received the additional report on the Consultation Matters after considering the Proposal for Change of Tender Offer Term.

(ii) Process of the review

<Omitted>

- At the 11th Special Committee meeting held on June 6, 2024 and the 13th Special Committee meeting held on June 13, 2024, the Special Committee received an explanation from UBS Securities and U&I on the content of the draft of the Target Company’s Press Release scheduled to be announced on June 14, 2024, held a question-and-answer session, and confirmed that complete information disclosure was planned to be made.

Upon making the additional report, during the period from July 29, 2024 to August 5, 2024, the Special Committee held a total of two (2) meetings for a total of approximately 4 hours as formal meetings. In addition, during each meeting day, the Special Committee carefully discussed and considered these Consultation Matters based on the Proposal for Change of Tender Offer Terms as outlined below, by performing such acts as reporting, information sharing, deliberation, and decision-making through gathering, e-mail, and other means from time to time.

- On July 29, 2024, the Special Committee received a report from UBS Securities that the Tender Offeror decided to extend the Tender Offer Period till August 13, 2024, for a total of forty (40) business days and not to change the Tender Offer Price, and that the Target Company disclosed a press release to that effect.
- At the 14th Special Committee meeting held on August 1, 2024, the Special Committee received an explanation from the Target Company that there were no material changes to earnings status and investment plans in the Target Company’s Business Plan which formed the basis of the Share Valuation Report (UBS) and the Share Valuation Report (PLUTUS).
- Upon receiving reports from the Target Company and the Target Company’s advisors from time to time, the Special Committee discussed

and reviewed, with advice from PLUTUS and MHM, the negotiations with the Tender Offeror concerning the terms of the Transaction, including the tender offer price, and expressed the required views on the Target Company's negotiation policy as follows, and as a result of the negotiations with the Tender Offeror through UBS Securities, an agreement was reached at the tender offer price of JPY 2,800 per one (1) Company Share (hereinafter referred to as the "Tender Offer Price After the Change"). Specifically, the outline is as follows.

- a. The Special Committee received a report from UBS Securities that it had received a proposal dated July 30, 2024 from the Tender Offeror, setting the revised Tender Offer Price at JPY 2,800 and another extension of the Tender Offer Period that is until August 21 to 28, 2024.
- b. In response, on August 1, 2024, the Special Committee expressed its opinion that, in light of the fact that the Target Company's share value was fluctuating significantly above the Tender Offeror's proposed price of JPY 2,800 on and after July 29, 2024, it is necessary to make extremely careful considerations as to recommending the Target Company's minority shareholders to tender in the Tender Offer on the premise of the proposal rendering the tender offer price as JPY 2,800, and it is reasonable to request to increase the tender offer price to a standard exceeding the Target Company's closing share price on the day preceding the date of announcement of the change to the tender offer terms at least. On the other hand, the Special Committee expressed its opinion that it approves the proposal to extend the Tender Offer Period till August 21 to 28, 2024, from the perspective of ensuring the period necessary for minority shareholders to sufficiently consider tendering in the Tender Offer given the changes to the tender offer price.
- c. On August 1, 2024, the Special Committee received a report from UBS Securities that in accordance with the comments from the Special Committee in b. above, on August 1, 2024, UBS Securities requested the Tender Offeror to reconsider the increase in the tender

offer price and that it accepted the proposal to extend the Tender Offer Period till August 21 to 28, 2024.

- d. On August 1, 2024, the Special Committee received a report from UBS Securities that the Tender Offeror seriously considered increasing the tender offer price and as a result, the Tender Offeror did not consider increasing the tender offer price to more than JPY 2,800.
- e. At the 14th Special Committee meeting held on August 1, 2024, towards the reply from the Tender Offeror in d. above, the Special Committee expressed its opinion that it is difficult at the present to determine whether or not to recommend the minority shareholders of the Target Company to tender in the Tender Offer on the premise of the proposal rendering the tender offer price as JPY 2,800, and that the Target Company should request again to reconsider the increase of the tender offer price.
- f. The Special Committee received a report from UBS Securities that, in accordance with the comments from the Special Committee in e. above, on August 2, 2024, UBS Securities requested the Tender Offeror to reconsider the increase of the tender offer price because it is difficult at the present to determine whether or not to recommend the Target Company's minority shareholders to tender in the Tender Offer on the premise of the proposal rendering the tender offer price as JPY 2,800.
- g. During the meetings, the Special Committee received a report from UBS Securities that the Tender Offeror seriously considered again the increase of the tender offer price, and that the tender offer price of JPY 2,800 was the maximum evaluation amount that the Tender Offeror considered appropriate given such matters as the Tender Offeror's investment standards, and that it did not consider increasing the Tender Offer Price to more than JPY 2,800.
- h. At the 15th Special Committee meeting held on August 5, 2024, the

Special Committee approved to the change of the tender offer price to JPY 2,800.

- At the 15th Special Committee meeting held on August 5, 2024, the Special Committee received an explanation from UBS Securities, the Target Company's financial advisor and third-party valuation institution and PLUTUS, the Special Committee's unique financial advisor and third-party valuation institution, that considering that there are no significant changes to the Business Plan received from the Target Company at the 14th Special Committee meeting, there are no circumstances that would require a change in the conclusion of the Share Valuation Report (UBS) and the Share Valuation Report (PLUTUS), and the Fairness Opinion dated June 13, 2024 obtained from PLUTUS even considering the current market environment.

(iii) Details of the decision

Under the process above, based on legal advice received from MHM, advice received from PLUTUS, the Share Valuation Report (PLUTUS) and the Fairness Opinion received on June 13, 2024, the Special Committee submitted to the Target Company's Board of Directors on June 14, 2024 a Report with substantially the following contents under the unanimous agreement of all the committee members as a result of performing careful discussion and review regarding the Consultation Matters.

(a) Contents of the report

1. It is recognized that the Transaction contributes to the enhancement of the Target Company's corporate value and that the purposes of the Transaction are reasonable.
2. It is recognized that the appropriateness of the Tender Offer Price and the other transaction terms in the Transaction is ensured.
3. It is recognized that sufficient care for the interests of the minority shareholders of the Target Company is made through fair procedures in the Transaction.
4. It is recognized that the determination of the Transaction (including the Squeeze-Out Procedures) by the Target Company's Board of Directors is not disadvantageous to the minority shareholders of the Target Company.
5. The Target Company's Board of Directors should resolve to express its

affirmative opinion to the Tender Offer. With respect to whether or not to tender in the Tender Offer, the Target Company's Board of Directors should resolve to recommend its shareholders to tender their shares in the Tender Offer and to leave the decision up to the Stock Acquisition Rights Holders.

Based on the circumstances during the period from July 29, 2024 to August 5, 2024 described in “(ii) Process of the review” above, the Special Committee carefully discussed and reviewed the Consultation Matters after considering the Proposal for Change of Tender Offer Term, taking into account the legal advice received from MHM and the advice received from PLUTUS. As a result of that, the Special Committee, with the unanimous consent of all committee members, submitted an Additional Report as of August 6, 2024 with the following summary to the Board of Directors.

1. through 4. shall not be changed.

5. The Target Company's Board of Directors should maintain the resolution to express its affirmative opinion to the Tender Offer. We also do not consider that it is unreasonable for the Target Company's Board of Directors to maintain its opinion to recommend the Target Company's shareholders to tender in the Tender Offer and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

(b) Reasons for the report

<Omitted>

(c) Reasons for the additional report

1. Consideration as to Whether or not the Transaction Contributes to the Enhancement of the Target Company's Corporate Value

The implementation of the Transaction and the measures to enhance corporate value after the Transaction can both be evaluated to contribute to the enhancement of the Target Company's corporate value, and the Transaction can be recognized to contribute to the Target Company's corporate value even taking the dyssynergies, etc. by the Transaction into account, as described in the Report, and the changes to the Tender Offer Price After the Change and the Tender Offer Period based upon the Proposal for Change of Tender Offer Terms (the “Change of Tender Offer Terms”) do not affect such consideration

contents.

2. Consideration of the Appropriateness of the Transaction Terms of the Transaction

It is as described in the Report that (a) there do not exist any circumstances to doubt the fairness of the preparation process of the Business Plan which forms the basis of the Share Valuation Report (UBS) and the Share Valuation Report (PLUTUS), and no unreasonable points can be found in the contents of the Business Plan, (b) no unreasonable points can be found in the calculation method or the calculation contents adopted by UBS and PLUTUS, and (c) the Tender Offer Price is considered to be appropriate given the calculation results of the Share Valuation Report (UBS) and the Share Valuation Report (PLUTUS) as well as the premium analysis by PLUTUS; and neither is the change of the Tender Offer Period a circumstance which affects such consideration contents, given that there are no material changes to the information such as the earnings status and investment plans in the Business Plan, even after the time of receiving the Proposal for Change of Tender Offer Terms. In addition, as there is no circumstances that would require a change in the conclusions in the Share Valuation Report (UBS), the Share Valuation Report (PLUTUS), or the Fairness Report even after receiving the Proposal for Change of Tender Offer Terms, the Tender Offer Price After the Change exceeds the maximum of the evaluation range under the market share price method and the comparable company analysis of the Share Valuation Report (UBS) and the Share Valuation Report (PLUTUS), and at the same time, it exceeds the median of the evaluation range under any of the DCF methods; therefore, it is recognized to be appropriate.

3. Consideration of the Fairness of the procedure of the Transaction

Considering that sufficient measures to ensure fairness are taken in the Transaction, such as the obtainment of the Fairness Opinion from PLUTUS, which is a third-party valuation institution and financial advisor unique to the Special Committee independent from the Tender Offeror and the Target Company, it is as described in the Report that fair procedures are implemented from the perspective of benefiting the minority shareholders and sufficient care is taken for the Target Company's minority shareholders through fair procedures, and the Change of Tender Offer Terms is not a circumstance

which affects such consideration contents.

4. Summary

From the above, even given the Change of Tender Offer Terms, we do not consider that it is unreasonable for the Target Company's Board of Directors to maintain its resolution to express its affirmative opinion to the Tender Offer, and to maintain its resolution to recommend the Target Company's shareholders to tender in the Tender Offer and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer.

- d. Procurement of the Share Valuation Report and the Fairness Opinion from the Special Committee's independent financial advisor and third-party valuation institution
- A. Name of the valuation institution and relationship with the Target Company and the Tender Offeror

(Before Change)

As described in "c. Establishment of Independent Special Committee at the Target Company and Procurement of a Report from the Special Committee" above, the Special Committee appointed PLUTUS as a unique financial advisor and third-party valuation institution independent from the Target Company and the Tender Offeror, and obtained a Share Valuation Report (PLUTUS) on June 13, 2024. In addition, the Special Committee requested PLUTUS to submit a Fairness Opinion, and obtained it on June 13, 2024.

PLUTUS does not fall under a related party of the Target Company or the Tender Offeror, and does not have any material interest in relation to the Transaction including the Tender Offer. PLUTUS's compensation related to the Transaction is said to be calculated by adding the fixed compensation to be paid regardless of the completion or non-completion of the Transaction to the number of hours worked multiplied by the hourly charge, and does not include any contingency fee to be paid on such terms as the completion or non-completion of the Transaction.

(After Change)

As described in "c. Establishment of Independent Special Committee at the Target Company and Procurement of a Report from the Special Committee" above, the Special

Committee appointed PLUTUS as a unique financial advisor and third-party valuation institution independent from the Target Company and the Tender Offeror, and obtained a Share Valuation Report (PLUTUS) on June 13, 2024. In addition, the Special Committee requested PLUTUS to submit a Fairness Opinion, and obtained it on June 13, 2024.

Upon considering to express its opinion on the Changes to Terms and Conditions of Tender Offer for Shares, Etc., since the Special Committee was provided an explanation from PLUTUS and confirmed that there are no material changes to the information such as earnings status or investment plan in the Business Plan upon which the Share Valuation Report (PLUTUS) was based, the Special Committee has not newly obtained a Share Valuation Report regarding the share value of the Target Company Shares or an opinion letter (fairness opinion) regarding the fairness of the Tender Offer Price.

PLUTUS does not fall under a related party of the Target Company or the Tender Offeror, and does not have any material interest in relation to the Transaction including the Tender Offer. PLUTUS's compensation related to the Transaction is said to be calculated by adding the fixed compensation to be paid regardless of the completion or non-completion of the Transaction to the number of hours worked multiplied by the hourly charge, and does not include any contingency fee to be paid on such terms as the completion or non-completion of the Transaction.

- h. Receipt of Unanimous Approval of All Disinterested Directors of the Target Company and the Opinion of All Disinterested Board of Company Auditors Members of the Target Company that They Have No Objection

(Before Change)

- h. Receipt of Unanimous Approval of All Disinterested Directors of the Target Company and the Opinion of All Disinterested Board of Company Auditors Members of the Target Company that They Have No Objection

Based on the Share Valuation Report (UBS Securities) obtained from UBS Securities and the legal advice from U&I, with respect to a maximum extent for the contents of the Report submitted by the Special Committee, the Target Company has carefully discussed and reviewed the terms and conditions of the Tender Offer. As a result, as described in“(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer,” “b. Process Leading to and Reasons for Decision of Target Company in Favor of the Tender Offer” above, at the Target Company's Board of Directors

meeting held on June 14, 2024, the Target Company resolved to express its opinion in favor of the Tender Offer, and to recommend its shareholders to tender their shares in the Tender Offer, and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer.

In the resolution of the Board of Directors above, from among nine (9) Directors, seven (7) Directors excluding Shinro Fujita and Junko Tsuboi participated, and the resolution was unanimously adopted by all the Directors who participated. Since, from among the Target Company's Directors, Shinro Fujita formerly belonged to the Tender Offeror and Junko Tsuboi concurrently serves as the Tender Offeror's Director, they did not participate in the deliberation and resolution in the Board of Directors meeting above from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at the Board of Directors meeting above being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction, and did not participate in the discussion and negotiation with the Tender Offeror regarding the Tender Offer from the Target Company's position.

From among the five (5) Board of Company Auditors members of the Target Company, all four (4) excluding Naoya Maruo attended the Board of Directors meeting above and all of the attending Audit & Supervisory Board members expressed their opinion that they have no objection to the resolution above. Since Naoya Maruo formerly belonged to the Tender Offeror, he did not attend the Board of Directors meeting above, and refrained from expressing his opinion, from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at the Board of Directors meeting being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction.

(After Change)

- h. Receipt of Approval of Majority of Disinterested Directors of the Target Company and the Opinion of All Disinterested Board of Company Auditors Members of the Target Company that They Have No Objection

Based on the Share Valuation Report (UBS Securities) obtained from UBS Securities and the legal advice from U&I, with respect to a maximum extent for the contents of the Report submitted by the Special Committee, the Target Company has carefully discussed and reviewed the terms and conditions of the Tender Offer. As a result, as described in“(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer,” “b. Process Leading to and Reasons for Decision of Target

Company in Favor of the Tender Offer” above, at the Target Company’s Board of Directors meeting held on June 14, 2024, the Target Company resolved to express its opinion in favor of the Tender Offer, and to recommend its shareholders to tender their shares in the Tender Offer, and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer.

In the resolution of the Board of Directors held on June 14, 2024 above, from among nine (9) Directors, seven (7) Directors excluding Shinro Fujita and Junko Tsuboi participated, and the resolution was unanimously adopted by all the Directors who participated. Since, from among the Target Company’s Directors, Shinro Fujita formerly belonged to the Tender Offeror and Junko Tsuboi concurrently serves as the Tender Offeror’s Director, they did not participate in the deliberation and resolution in the Board of Directors meeting held on June 14, 2024 above from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at the Board of Directors meeting above being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction, and did not participate in the discussion and negotiation with the Tender Offeror regarding the Tender Offer from the Target Company’s position.

From among the five (5) Board of Company Auditors members of the Target Company, all four (4) excluding Naoya Maruo attended the Board of Directors meeting held on June 14, 2024 above and all of the attending Audit & Supervisory Board members expressed their opinion that they have no objection to each of the resolution above. Since Naoya Maruo formerly belonged to the Tender Offeror, he did not attend the Board of Directors meeting held on June 14, 2024 above, and refrained from expressing his opinion, from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at the Board of Directors meeting being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction.

According to the Target Company’s Press Release After Changes, thereafter, following the Tender Offeror’s decision to make the Changes to Terms and Conditions of Tender Offer for Shares, Etc. at its Board of Directors meeting held on August 6, 2024, the Target Company, at its Board of Directors meeting held on the same date, carefully discussed and reviewed the Changes to Terms and Conditions of Tender Offer for Shares, Etc., based on the opinion of the Special Committee, and resolved that the Target Company would (i) continue to express its affirmative opinion regarding the Tender Offer, and (ii) maintain an opinion recommending its shareholders to tender their shares in the Tender Offer and leaving the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer, based on the reason stated in “(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Management

Policy after the Tender Offer,” “b. Process Leading to and Reasons for Decision of Target Company in Favor of the Tender Offer” above.

In the resolution of the Target Company’s Board of Directors held on August 6, 2024 above, from among nine (9) Directors, seven (7) Directors excluding Shinro Fujita and Junko Tsuboi participated, and the resolution was unanimously adopted by all the Directors who participated, excluding one (1) Director. Since, from among the Target Company’s Directors, Shinro Fujita formerly belonged to the Tender Offeror and Junko Tsuboi concurrently serves as the Tender Offeror’s Director, they did not participate in the deliberation and resolution in the Board of Directors meeting held on August 6, 2024 above from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at the Board of Directors meeting above being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction, and did not participate in the discussion and negotiation with the Tender Offeror regarding the Tender Offer from the Target Company’s position.

From among the five (5) Board of Company Auditors members of the Target Company, all four (4) excluding Naoya Maruo attended the Board of Directors meeting held on August 6, 2024 above and all of the attending Audit & Supervisory Board members expressed their opinion that they have no objection to the resolution above. Since Naoya Maruo formerly belonged to the Tender Offeror, he did not attend the Board of Directors meeting held on August 6, 2024 above, and refrained from expressing his opinion, from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at the Board of Directors meeting being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction.

i. Measures to Ensure Purchase Opportunities for Other Purchasers

(Before Change)

The Tender Offeror sets the Tender Offer Period at 40 business days, while the statutory minimum period is 20 business days. By setting the Tender Offer Period for a period longer than the statutory minimum, the Tender Offeror intends to secure an appropriate opportunity for the shareholders of the Target Company and the Stock Acquisition Rights Holders to make a decision as to whether to tender their shares in the Tender Offer and create an opportunity for persons other than the Tender Offeror to make purchase offers, etc. with respect to the Target Company Stock, and thereby ensure the fairness of the Tender Offer Price.

<Omitted>

(After Change)

The Tender Offeror sets the Tender Offer Period at 51 business days, while the statutory minimum period is 20 business days. By setting the Tender Offer Period for a period longer than the statutory minimum, the Tender Offeror intends to secure an appropriate opportunity for the shareholders of the Target Company and the Stock Acquisition Rights Holders to make a decision as to whether to tender their shares in the Tender Offer and create an opportunity for persons other than the Tender Offeror to make purchase offers, etc. with respect to the Target Company Stock, and thereby ensure the fairness of the Tender Offer Price.

<Omitted>

- j. Measures to Ensure Appropriate Opportunity for Shareholders and Stock Acquisition Rights Holders of Target Company to Make Decision as to Whether to Tender Shares in Tender Offer

(Before Change)

<Omitted>

In addition, the Tender Offeror sets the Tender Offer Period at 40 business days, while the statutory minimum period is 20 business days. By setting the Tender Offer Period for a period longer than the statutory minimum, the Tender Offeror intends to secure an appropriate opportunity for the shareholders of the Target Company and the Stock Acquisition Rights Holders to make a decision as to whether to tender their shares in the Tender Offer, and thereby ensure the fairness of the Tender Offer Price.

(After Change)

<Omitted>

In addition, the Tender Offeror sets the Tender Offer Period at 51 business days, while the statutory minimum period is 20 business days. By setting the Tender Offer Period for a period longer than the statutory minimum, the Tender Offeror intends to secure an appropriate opportunity for the shareholders of the Target Company and the Stock Acquisition Rights Holders to make a decision as to whether to tender their shares in the Tender Offer, and thereby ensure the fairness of the Tender Offer Price.

- (5) Policy on Reorganization, etc. after the Tender Offer (Matters Relating to the So-Called Two-Stage Takeover)
- b. Share Consolidation

(Before Change)

If the total number of voting rights of the Target Company held by the Tender Offeror is less than 90% of the voting rights of all shareholders of the Target Company after the Tender Offer is completed, the Tender Offeror plans to request, promptly after the completion of the settlement of the Tender Offer, and in accordance with Article 180 of the Companies Act, that the Target Company hold an extraordinary meeting of shareholders (the “Extraordinary Shareholders’ Meeting”) at which the Target Company will present proposals to approve the consolidation of the Target Company Shares (the “Share Consolidation”) and, subject to the Share Consolidation becoming effective, abolish the article in the Articles of Incorporation concerning the number of shares constituting one unit. In addition, the Tender Offeror plans to request that the record date for the Extraordinary Shareholders’ Meeting be a date that is after and close to the commencement date of the settlement of the Tender Offer. The Tender Offeror will vote in favor of these proposals at the Extraordinary Shareholders’ Meeting. According to the Target Company, the Target Company intends to hold the Extraordinary Shareholders’ Meeting at the request of the Tender Offeror and the Extraordinary Shareholders’ Meeting is scheduled to be held around October, 2024. The Tender Offeror will vote in favor of these proposals at the Extraordinary Shareholders’ Meeting.

<Omitted>

(After Change)

If the total number of voting rights of the Target Company held by the Tender Offeror is less than 90% of the voting rights of all shareholders of the Target Company after the Tender Offer is completed, the Tender Offeror plans to request, promptly after the completion of the settlement of the Tender Offer, and in accordance with Article 180 of the Companies Act, that the Target Company hold an extraordinary meeting of shareholders (the “Extraordinary Shareholders’ Meeting”) at which the Target Company will present proposals to approve the consolidation of the Target Company Shares (the “Share Consolidation”) and, subject to the Share Consolidation becoming effective, abolish the article in the Articles of Incorporation concerning the number of shares constituting one unit. In addition, the Tender Offeror plans to request that the record date for the

Extraordinary Shareholders' Meeting be a date that is after and close to the commencement date of the settlement of the Tender Offer. According to the Target Company, the Target Company intends to hold the Extraordinary Shareholders' Meeting at the request of the Tender Offeror and the Extraordinary Shareholders' Meeting is scheduled to be held around November, 2024. The Tender Offeror will vote in favor of these proposals at the Extraordinary Shareholders' Meeting.

<Omitted>

2. Outline of Purchase, Etc.

(2) Schedule, Etc.

b. Period for Purchase, etc. as of the Filing Date of the Tender Offer Registration Statement

(Before Change)

From Monday, June 17, 2024 to Tuesday, August 13, 2024 (40 business days)

(After Change)

From Monday, June 17, 2024 to Wednesday, August 28, 2024 (51 business days)

(3) Tender Offer Price

(Before Change)

a. 2,690 yen per share of common stock

(After Change)

a. 2,800 yen per share of common stock

(4) Bases, Etc. of Calculation of Price for Purchase, Etc.

(A) Basis of Calculation

a. Common Stock

(Before Change)

The Tender Offer Price, 2,690yen per share, is a price with each of the following premiums: a) a 42.74% premium on the closing price of the Target Company Shares on the Prime Market of the TSE on June 13, 2024 (1,884.5 yen) (which is the business day immediately preceding the announcement date of the Tender Offer), b) a 36.27 %

premium on the simple average of the closing prices for a one (1) month period (from May 14, 2024 to June 13, 2024) (1,974 yen), c) a 37.17% premium on the simple average of the closing prices for a three (3) month period (from March 14, 2024 to June 13, 2024) (1,961 yen), and d) a 28.16% premium on the simple average of the closing prices for a six (6) month period (from December 14, 2023 to June 13, 2024) (2,099 yen).

(After Change)

The Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc., 2,690 yen per share, is a price with each of the following premiums: a) a 42.74% premium on the closing price of the Target Company Shares on the Prime Market of the TSE on June 13, 2024 (1,884.5 yen) (which is the business day immediately preceding the announcement date of the Tender Offer), b) a 36.27 % premium on the simple average of the closing prices for a one (1) month period (from May 14, 2024 to June 13, 2024) (1,974 yen), c) a 37.17% premium on the simple average of the closing prices for a three (3) month period (from March 14, 2024 to June 13, 2024) (1,961 yen), and d) a 28.16% premium on the simple average of the closing prices for a six (6) month period (from December 14, 2023 to June 13, 2024) (2,099 yen).

The Tender Offeror believes that the Tender Offer with the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (2,800 yen) would provide the shareholders of the Target Company with a reasonable opportunity to sell the Target Company Shares, in light of the fact that such price is the amount obtained by adding up each of the following premiums: a premium of 48.58% on 1,884.5 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on June 13, 2024, the business day immediately preceding the announcement date of the Tender Offer, i.e., June 14, 2024; a premium of 41.84% on 1,974 yen, which was the simple average of the closing prices for the preceding one (1) month period until the same date; a premium of 42.78% on 1,961 yen, which was the simple average of the closing prices for the preceding three (3) month period until the same date; and a premium of 33.40% on 2,099 yen, which was the simple average of the closing prices for the preceding six (6) month period until the same date. In determining the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc., the Tender Offeror does not obtain another valuation report from Nomura Securities in

addition to the Share Valuation Report (Nomura Securities) that the Tender Offeror obtained from Nomura Securities on June 13, 2024.

(B) Background of Calculation

(Before Change)

(Background of the determination of the Tender Offer Price)

<Omitted>

As a result of the above, on June 13, 2024, the Tender Offeror and the Target Company agreed to set the Tender Offer Price at 2,690 yen (2,690 is the amount obtained by adding up each of the following premiums: a premium of 42.06 % on 1,893.5 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on June 12, 2024, the business day immediately preceding the date on which the agreement was reached, i.e., June 13, 2024; a premium of 35.93 % on 1,979 yen, which was the simple average of the closing prices for the preceding one (1) month period until the same date; a premium of 37.04% on 1,963 yen, which was the simple average of the closing prices for the preceding three (3) month period until the same date; and a premium of 27.97 % on 2,102 yen, which was the simple average of the closing prices for the preceding six (6) month period until the same date.) and set the Stock Acquisition Right Purchase Price at 1 yen.

Therefore, the Tender Offeror entered into the Tender Offer Agreement as of June 14, 2024, and decided to implement the Tender Offer as part of the Transaction. For the details of the Tender Offer Agreement, please refer to “1. Purpose of Tender Offer,” “(3) Matters Concerning Material Agreements Related to Tender Offer” above. The Tender Offeror has determined the Tender Offer Price in accordance with the following background.

<Omitted>

(iii) Background of the determination of the Tender Offer Price based on the opinion

In addition to the valuation result of the Target Company Shares stated in the Share Valuation Report (Nomura Securities) received from Nomura Securities, the Tender Offeror comprehensively took into consideration factors such as the results of due diligence implemented during the period from early April 2024 to the middle of May 2024, the financial condition of the Target Company, whether the Board of Directors of

the Target Company supports the Tender Offer, trends in the market price of the Target Company Shares, and the estimated number of shares to be tendered in the Tender Offer, referring to the outcome of the consultation and negotiation with the Target Company. The Tender Offeror finally determined on the Tender Offer Price of 2,690 yen by a resolution of the Board of Directors as of the date hereof.

(After Change)

(Background of the determination of the Tender Offer Price)

<Omitted>

As a result of the above, on June 13, 2024, the Tender Offeror and the Target Company agreed to set the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc. at 2,690 yen (2,690 yen is the amount obtained by adding up each of the following premiums: a premium of 42.06 % on 1,893.5 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on June 12, 2024, the business day immediately preceding the date on which the agreement was reached, i.e., June 13, 2024; a premium of 35.93 % on 1,979 yen, which was the simple average of the closing prices for the preceding one (1) month period until the same date; a premium of 37.04% on 1,963 yen, which was the simple average of the closing prices for the preceding three (3) month period until the same date; and a premium of 27.97 % on 2,102 yen, which was the simple average of the closing prices for the preceding six (6) month period until the same date.) and set the Stock Acquisition Right Purchase Price at 1 yen.

Therefore, the Tender Offeror entered into the Tender Offer Agreement as of June 14, 2024, and decided to implement the Tender Offer as part of the Transaction. For the details of the Tender Offer Agreement, please refer to “1. Purpose of Tender Offer,” “(3) Matters Concerning Material Agreements Related to Tender Offer” above. The Tender Offeror has determined the Tender Offer Price in accordance with the following background.

<Omitted>

(iii) Background of the determination of the Tender Offer Price based on the opinion

In addition to the valuation result of the Target Company Shares stated in the Share Valuation Report (Nomura Securities) received from Nomura Securities, the Tender

Offeror comprehensively took into consideration factors such as the results of due diligence implemented during the period from early April 2024 to the middle of May 2024, the financial condition of the Target Company, whether the Board of Directors of the Target Company supports the Tender Offer, trends in the market price of the Target Company Shares, and the estimated number of shares to be tendered in the Tender Offer, referring to the outcome of the consultation and negotiation with the Target Company. The Tender Offeror finally determined on the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc. of 2,690 yen by a resolution of the Board of Directors as of the date hereof.

The Tender Offeror then commenced the Tender Offer on June 17, 2024, and, after taking into consideration the overall situation of, among others, the applications to the Tender Offer since its commencement, as well as the prospects for future applications, made by the shareholders of the Target Company and the Stock Acquisition Rights Holders, and, in order to provide the shareholders of the Target Company and the Stock Acquisition Rights Holders with further opportunities to make a decision on whether to tender their shares in the Tender Offer, the Tender Offeror determined, on July 29, 2024, to extend the Tender Offer Period to August 13, 2024, for a total of 40 business days. The Tender Offeror announced that the Tender Offeror believes that the purchase price of 2,690 yen per share of the Target Company Shares in the Tender Offer sufficiently reflects the value of the Target Company and doesn't change the Tender Offer Price or the Stock Acquisition Rights Purchase Prices.

Since the Tender Offeror determined the above extension of the Tender Offer Period, the Tender Offeror has continued to closely monitor the situation of market trading of the Target Company Shares, the overall situation of the applications to the Tender Offer, and the prospects for future applications thereto to be made by the shareholders of the Target Company, and, taking into consideration, among other things, (i) the fact that the market price of the Target Company Shares shifted, maintaining a higher price than the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (2,690 yen), even after the extension of the Tender Offer Period, and (ii) the prospects for future applications to the Tender Offer under such situations, the Tender Offeror came to believe it necessary to consider providing the shareholders of the Target Company with opportunities to sell their shares at a higher price than the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc. and securing for the shareholders of the Target Company a period of time to fully consider the application for the Tender Offer in light of the change in the Tender Offer Price due to the Changes to Terms and Conditions of Tender Offer for Shares,

Etc., in order to enhance the certainty to complete the Tender Offer. As such, and in line with such thinking, on July 30, 2024, the Tender Offeror notified the Target Company that the Tender Offeror was considering changing the Tender Offer Price from 2,690 yen to 2,800 yen and extending the Tender Offer Period to August 21, 2024 or August 28, 2024.

In response to the above, on August 1, 2024, the Tender Offeror received a request from the Target Company to reconsider changing the Tender Offer Price to a level at least higher than the closing price of the Target Company Shares as of August 5, 2024, the day immediately preceding the announcement date of the Changes to Terms and Conditions of Tender Offer for Shares, Etc., given the shift in the market price of the Target Company Shares since July 29, 2024.

In view of such request from the Target Company, on August 1, 2024, the Tender Offeror responded to the Target Company to the effect that (i) the Tender Offeror would like the Target Company to maintain the Affirmative Opinion because the Tender Offeror believes that the Tender Offer Price per share of the Target Company, 2,800 yen, is a favorable change for the general shareholders of the Target Company in that the Tender Offeror increases the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc., and that (ii) the Tender Offeror cannot raise the Tender Offer Price to exceed 2,800 yen because it cannot raise it above the valuation that the Tender Offeror considers reasonable based on its investment criteria and other factors, taking into consideration the Tender Offeror's accountability to its shareholders.

In response to the above, on August 2, 2024, the Tender Offeror received again a request from the Target Company to consider raising the Tender Offer Price. In response to such request from the Target Company, on August 2, 2024, the Tender Offeror communicated to the Target Company to the effect that the Tender Offer Price per share of the Target Company, 2,800 yen, is the maximum valuation that the Tender Offeror considers reasonable based on the Tender Offeror's investment criteria and other factors, and that the Tender Offeror will not raise the Tender Offer Price to exceed 2,800 yen.

In response to the above, on August 5, 2024, the Tender Offeror received a response from the Target Company stating that, with the understanding that the Tender Offer Price has been raised to the maximum price for the Tender Offeror, it would accept the proposal to change the Tender Offer Price from 2,690 yen to 2,800 yen, and would maintain an opinion in favor of the Changes to Terms and Conditions of Tender Offer for Shares, Etc. and an opinion recommending its shareholders to tender their shares in the Tender Offer, with the reservation that the final decision-making of the Target

Company shall be determined after the resolution of the Target Company's Board of Directors based upon the report, etc. of the Special Committee.

Given the above, the Tender Offeror determined at the Board of Directors meeting held on August 6, 2024, that it would change the Tender Offer Price from 2,690 yen to 2,800 yen and that it would extend the Tender Offer Period to August 28, 2024, for a total of 51 business days. At such meeting, the Tender Offeror also decided to make the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. final, make no change in the Tender Offer Price thereafter and make no additional extension of the Tender Offer Period at its own discretion unless required under the Act.

(7) Aggregate tender offer price:

(Before Change)

220,718 million yen

(Note) The “aggregate tender offer price” is calculated by multiplying the number of shares intended to be purchased by the Tender Offer Price (i.e., 2,690 yen) of each share of the Target Company Shares specified in “(5) Number of Share Certificates, Etc. to be Purchased” above.

(After Change)

229,744 million yen

(Note) The “aggregate tender offer price” is calculated by multiplying the number of shares intended to be purchased by the Tender Offer Price (i.e., 2,800 yen) of each share of the Target Company Shares specified in “(5) Number of Share Certificates, Etc. to be Purchased” above.

(8) Method of Settlement

b. Settlement Commencement Date

(Before Change)

Tuesday, August 20, 2024

(After Change)

Wednesday, September 4, 2024

4. Others

- (1) Agreements between Tender Offeror and Target Company and/or its Officers; Terms thereof
 - a. Issuance of Affirmative Opinion regarding Tender Offer

(Before Change)

According to the Target Company's Press Release, at the Target Company's Board of Directors meeting held today, with the participation in the deliberations and resolutions of all seven (7) of the Target Company's nine (9) Directors excluding Mr. Shinro Fujita and Ms. Junko Tsuboi, all of whom are disinterested Directors, and by an unanimous vote of all the Directors who attended the resolution, based on the grounds and reason stated in "1. Purpose of Tender Offer," "(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer," "b. Process Leading to and Reasons for Decision of Target Company in Favor of the Tender Offer" above, the Target Company resolved that the Target Company (i) expresses its affirmative opinion regarding the Tender Offer, (ii) recommends that its shareholders tender their shares in the Tender Offer, and (iii) leaves the decision to the Stock Acquisition Rights Holders whether or not to tender their Stock Acquisition Rights in the Tender Offer.

For the details of the decision-making process of the Target Company's Board of Directors, please refer to the Target Company's Press Release and "1. Purpose of Tender Offer," "(4) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest," "h. Receipt of Unanimous Approval of All Disinterested Directors of the Target Company and the Opinion of All Disinterested Board of Company Auditors Members of the Target Company that They Have No Objection" above.

(After Change)

According to the Target Company's Press Release, at the Target Company's Board of Directors meeting held today, with the participation in the deliberations and resolutions of

all seven (7) of the Target Company's nine (9) Directors excluding Mr. Shinro Fujita and Ms. Junko Tsuboi, all of whom are disinterested Directors, and by an unanimous vote of all the Directors who attended the resolution, based on the grounds and reason stated in "1. Purpose of Tender Offer," "(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer," "b. Process Leading to and Reasons for Decision of Target Company in Favor of the Tender Offer" above, the Target Company resolved that the Target Company (i) expresses its affirmative opinion regarding the Tender Offer, (ii) recommends that its shareholders tender their shares in the Tender Offer, and (iii) leaves the decision to the Stock Acquisition Rights Holders whether or not to tender their Stock Acquisition Rights in the Tender Offer.

According to the Target Company's Press Release After Changes, subsequently, the Target Company resolved at its Board of Directors meeting held on August 6, 2024 that the Target Company would (i) continue to express its affirmative opinion regarding the Tender Offer, and (ii) maintain an opinion recommending its shareholders to tender their shares in the Tender Offer and leaving the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer, based on the grounds and reason stated in "1. Purpose of Tender Offer," "(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer," "b. Process Leading to and Reasons for Decision of Target Company in Favor of the Tender Offer" above.

For the details of the above-mentioned decision-making process of the Target Company's Board of Directors for each of June 14, 2024 and August 6, 2024, please refer to the Target Company's Press Release, the Target Company's Press Release After Changes, and "1. Purpose of Tender Offer," "(4) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest," "h. Receipt of Approval of Majority of Disinterested Directors of the Target Company and the Opinion of All Disinterested Board of Company Auditors Members of the Target Company that They Have No Objection" above.

- (2) Other Information Deemed Necessary for Investors to Decide Whether to Tender Their Shares to the Offer, Etc.

(Before Change)

- a. Disclosure of “Summary of Financial Statements (consolidated) - Results for the Fiscal Year Ended March 31, 2024”

The Target Company disclosed the Target Company’s Summary of Financial Results on May 8, 2024. The following is an outline of the Target Company’s Summary of Financial Results based on the disclosure. Please note that the audit by an auditing firm pursuant to Article 193-2, Paragraph 1 of the Act has not been conducted on the Target Company’s Summary of Financial Results. In addition, the following outline of the disclosure is an excerpt from the disclosure made by the Target Company; therefore, please refer to the disclosure itself for the details.

- (a) Profit and Loss (Consolidated)

Fiscal Year	<u>Ended March 2024</u> (from April 1, <u>2023</u> to <u>March 31, 2024</u>) (millions of yen)
Net sales	<u>110,881</u>
Operating income	<u>12,570</u>
Ordinary income	<u>12,940</u>
Net income attributable to owners of the parent	<u>8,833</u>

- (b) Per-share Information (Consolidated)

Fiscal <u>Year</u>	<u>Ended March 2024</u> (from April 1, <u>2023</u> to <u>March 31, 2024</u>) (yen)
Net income per share	<u>73.04</u>
<u>Net assets per share</u>	<u>661.38</u>
Dividends per share	<u>34</u>

(After Change)

- a. Disclosure of “Summary of Financial Statements (consolidated) - Results for the First Quarter of the Fiscal Year Ending March 31, 2025”

The Target Company disclosed “Summary of Financial Statements (consolidated) – Results

for the First Quarter of the Fiscal Year Ending March 31, 2025” on August 2, 2024. The following is an outline of the Summary of Financial Results. Please note that the quarterly review by an auditing firm pursuant to Article 193-2, Paragraph 1 of the Act has not been conducted on such disclosure. In addition, the following outline of the disclosure is an excerpt from the disclosure made by the Target Company; therefore, please refer to the disclosure itself for the details.

(a) Profit and Loss (Consolidated)

Fiscal Period	<u>First Quarter of Fiscal Year Ending March 2025</u> (from April 1, <u>2024</u> to <u>June 30</u> , 2024) (millions of yen)
Net sales	<u>26,042</u>
Operating income	<u>2,621</u>
Ordinary income	<u>2,711</u>
<u>Quarterly</u> net income attributable to owners of the parent	<u>1,673</u>

(b) Per-share Information (Consolidated)

Fiscal Period	<u>First Quarter of Fiscal Year Ending March 2025</u> (from April 1, <u>2024</u> to <u>June 30</u> , 2024) (yen)
<u>Quarterly</u> net income per share	<u>13.83</u>
Dividends per share	-

(End of Document)

[Soliciting Regulations]

This press release is intended to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanation Statement concerning the Tender Offer and make an offer to sell their shares at their own discretion. This Press Release shall neither be, nor constitute a part of, an offer or solicitation to sell, or solicitation of an offer to purchase, any securities, and neither this Press Release (or any part of this Press Release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and this Press Release may not be relied upon at the time of entering into any such agreement.

[Forward-Looking Statements]

This information may contain expressions concerning future prospects for business of the Tender Offeror and other companies, including “expect,” “anticipate,” “intend,” “plan,” “strongly believe,” and “project.” These expressions are based on the business prospects of the Tender Offeror at present, and are subject to change depending on the future circumstances. In respect of this information, the Tender Offeror assures no obligation to update these expressions concerning future prospects to reflect actual performance and other circumstances, and changes in the terms.

[U.S. Regulations]

The Tender Offer targets the shares of the Target Company, a company incorporated in Japan. The Tender Offer is to be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Act in Japan, and such procedures and information disclosure standards are not necessarily the same as the procedures and information disclosure standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended, the same applies hereinafter), and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not necessarily conform to those procedures and standards. The financial statements contained in this press release and reference materials thereof consist of information prepared in accordance with Japanese accounting standards or the international financial reporting standards (the IFRS), and such accounting standards may be significantly different from the accounting standards in the U.S. or other countries. Moreover, as each of the Tender Offeror and the Target Company is a company incorporated outside of the U.S. and all or some of its directors are non-U.S. residents, it may be difficult to exercise, bring a claim regarding, or enforce any rights arising under the U.S. federal securities laws. In addition, it may not be possible to commence legal actions against a non-U.S. company or its directors in a non-U.S. court on the ground of a violation of the U.S. securities laws. Furthermore, a company incorporated outside the U.S. and its subsidiaries and affiliates may not necessarily be subject to the jurisdiction of the U.S. courts. Also, there is no assurance that the shareholders may be able to subject a company incorporated outside the U.S. and its subsidiaries and affiliates to the jurisdiction of the U.S. courts.

Unless otherwise provided, all procedures for the Tender Offer shall be conducted entirely in the Japanese language. Some or all portions of the documents relating to the Tender Offer may be prepared in the English language. However, should there be any inconsistency

between the documents in English and those in Japanese, the Japanese documents shall prevail. This press release and reference materials thereof contain “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to any known or unknown risks, uncertainties, or any other factors, it is possible that actual results may substantially differ from the projections, etc. as expressly or implicitly indicated in any “forward-looking statements.” None of the Tender Offeror, the Target Company or any of its affiliates gives any assurance that such projections, etc. expressly or implicitly indicated in any “forward-looking statements” will be achieved. The “forward-looking statements” in this press release and reference materials thereof have been prepared based on the information held by the Tender Offeror or the Target Company as of the date hereof, and unless otherwise required by applicable laws and regulations, none of the Tender Offeror, the Target Company or any of its affiliates is obliged to update or modify such statements in order to reflect any events or circumstances in the future. The Tender Offeror, the Target Company, their respective financial advisors and the Tender Offer Agent (including their respective affiliates) may, within their normal scope and to the extent permitted under the related Japanese financial instruments and exchange laws and regulations and other applicable laws and regulations in the ordinary course of their business, purchase the Target Company Shares for their own account or for the account of their customers by means other than the Tender Offer or take actions to purchase the Target Company Shares outside the Tender Offer prior to the commencement of the Tender Offer, or during the Tender Offer Period in accordance with the requirements of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934. Such purchases may be carried out at market prices through market transactions or at prices determined through off-market negotiations. If any information concerning such purchases, etc. is disclosed in Japan, the disclosure of such information will be made also in English on the website of the person that conducted that purchase or its affiliates (or through another method of disclosure).

The Target Company may purchase its own shares in accordance with legal procedures during the Tender Offer Period from any shareholder who exercises the right under the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) to require the Target Company to purchase shares constituting less than one unit.

As stated in the “Notice regarding introduction of performance-linked stock price-based compensation plan” announced by the Target Company on May 19, 2021, the Target Company has introduced a trust-type performance-linked stock compensation plan (the “Performance-Linked Stock Compensation Plan”) that includes Directors (excluding Outside Directors and non-residents of Japan) of the Target Company among the persons covered by the plan. Under the Performance-Linked Stock Compensation Plan, (i) each Director of the Target Company covered by such plan will be granted points at certain times of each year in accordance with his/her job position, number of months in office, and the degree to which his/her targets under the Medium-Term Management Plan have been achieved, (ii) the right (trust beneficial interest) of such Director to receive the delivery of the Target Company Shares in the number corresponding to such points will vest, and (iii) such Director will receive the delivery of the above-mentioned number of Target Company Shares. According to the Target Company, with respect to Mr. Kazuyuki Shimada, Mr. Tomochika Yamaguchi, Mr. Yasushi Sumida and Mr. Shinro Fujita, who are Directors of the Target Company, in accordance with the Performance-Linked Stock Compensation Plan on July 1, 2024, (a) the right to receive the delivery of 1,100

Target Company Shares (ownership ratio (as defined in “1. Purpose of Tender Offer,” “(1) Overview of the Tender Offer” of the Tender Offer Commencement Press Release; hereinafter the same): 0.00%), 700 Target Company Shares (ownership ratio: 0.00%), 600 Target Company Shares (ownership ratio: 0.00%), and 600 Target Company Shares (ownership ratio: 0.00%) (total: 3,000 shares, ownership ratio: 0.00%), respectively, vested during the Tender Offer Period, and (b) such number of the Target Company Shares was delivered to the above Directors on July 16, 2024, which also falls during the Tender Offer Period. After the delivery of each of the Target Company Shares stated above, the ownership ratio of each of the above Directors is less than 5%. The vesting of these rights and the delivery of the Target Company Shares were conducted in accordance with the service agreements that were entered into between the Directors and the Target Company prior to the date of public notice of commencement of the Tender Offer and in accordance with the Performance-Linked Stock Compensation Plan that applies to such Directors based on such service agreements. Accordingly, pursuant to the provision to Article 27-5 of the Act and Item 1 of the same article, the above-mentioned Directors, who are pro forma Specially Related Parties of the Tender Offeror, are entitled to the vesting of the right to receive the delivery of, and to actually receive delivery of, such Target Company Shares even during the Tender Offer Period without the application of the main clause of Article 27-5 of the Act, and, in accordance with the conditions of Rule 14e-5(b) (7) of the U.S. Securities Exchange Act of 1934, such vesting of the right and such delivery were conducted without the application of the provisions prohibiting purchases outside of a tender offer under Rule 14e-5. The vesting of the right to receive the delivery of the Target Company Shares and the delivery of the Target Company Shares have been conducted as a form of stock compensation to each of the above-mentioned Directors, and no money has been delivered by each of the above-mentioned Directors to the Target Company.

[Other Countries]

The announcement, issuance, or distribution of this Press Release may be legally restricted in some countries or territories. In such case, shareholders should be aware of and comply with such restriction. The announcement, issuance, or distribution of this Press Release shall not be interpreted as an offer to purchase or solicitation of an offer to sell share certificates concerning the Tender Offer, but shall be interpreted simply as a distribution of information.