



November 19, 2024

To all parties concerned,

Company FUJI SOFT INCORPORATED  
Representative Satoyasu Sakashita, President &  
Representative Director  
(Ticker code: 9749 TSE Prime Market)  
Contact General Manager of Corporate Shinsuke Konishi  
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(TEL. 045-650-8811)

**(Supplement) Notice regarding Expression of Opinion in Support of the Second Tender Offer for the Company Share Certificates by FK Co., Ltd. and Recommendation to Tender Shares**

As announced in the Notice of Resolution on the Statement of Opinion on the Second Tender Offer for the Company Share Certificates by FK Co., Ltd. and the Tender Offer for the Company Share Certificates by K.K. BCJ-88 dated November 15, 2024, the Company passed a resolution at the meeting of its Board of Directors held on that day to express an opinion in support of the tender offer for the common shares of the Company (the “Company Shares”) and the Stock Acquisition Rights (defined in “(2) Stock Acquisition Rights” in “2. Tender Offer Price” below, hereinafter the same, and the Company Shares and the Stock Acquisition Rights are hereinafter collectively referred to as the “Company Share Certificates”) by FK Co., Ltd. (the “Offeror,” and that tender offer, the “Second Tender Offer” or the “Tender Offer,” and together with the tender offer (the “First Tender Offer”) with a tender offer period of September 5, 2024 to November 5, 2024 (the “First Tender Offer Period”) and a tender offer price per share of the Company Shares of JPY 8,800 (the “First Tender Offer Price”), the “Tender Offers”) and to recommend that the shareholders of the Company and the holders of the Stock Acquisition Rights (the “Stock Acquisition Rights Holders”) tender their Company Share Certificates in the Second Tender Offer. Further, the Company received an opinion from the Special Committee (defined below, hereinafter the same) dated November 18, 2024 (the “November 18 Opinion”) and was notified by the Offeror today that the Second Tender Offer will be conducted during a tender offer period from November 20, 2024 to December 19, 2024, and in light of that, it was resolved at a meeting of the Board of Directors held today to continue expressing an opinion in support of the Second Tender Offer and to recommend that the Company’s shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer. Accordingly, we hereby announce the Company’s opinion regarding the Tender Offer once again.

The above resolution of the Board of Directors was passed on the assumption that the Offeror intends to take the Company Shares private through the Tender Offers and a series of subsequent procedures and that the Company Shares will be delisted.

1. Overview of the Offeror

(1) Name	FK Co., Ltd.
(2) Location	11 F Meiji Yasuda Life Insurance Bldg, 1-1 Marunouchi 2-chome, Chiyoda-ku, Tokyo
(3) Name and Title of Representative	Michael Longo, Representative Director
(4) Businesses	Commercial business and all businesses related to commercial business
(5) Capital	JPY 300,005,000
(6) Date of Incorporation	July 26, 2024
(7) Major Shareholders and Shareholding Ratio	FK Holdings Co., Ltd. 100.00%
(8) Relationship Between the Listed Company and the Offeror	

Capital Relationships	As of today, the Offeror owns 21,413,302 shares of the Company Shares (Ownership Ratio (Note 1): 33.97%) and 4,943 Stock Acquisition Rights (which, when converted to shares, amount to a total of 22,131,902 shares (Ownership Ratio: 35.11%)).
Personnel Relationships	Not applicable
Business Relationships	Not applicable
To related parties Status	As a result of the First Tender Offer, the Offeror became another related company of the Company, as well as the Company's largest shareholder, which is the major shareholder of the Company, and therefore qualifies as a related party of the Company.

(Note 1) "Ownership Ratio" means the percentage (figures are rounded to the nearest two decimal places) of the number of shares (63,028,271 shares) (hereinafter referred to as the "Total Number of Shares after Taking into Account the Potential Shares of the Company"), obtained by adding (i) the total number of outstanding shares of the Company as of September 30, 2024 (67,400,000 shares), as stated in the Consolidated Financial Results (Interim Period) for the Third Quarter of the Fiscal Year Ended December 31, 2024 (Under Japanese GAAP) ("Consolidated Financial Results (Interim Period) for the Second Quarter of the Company") submitted by the Company on November 7, 2024, to (ii) the number of shares (217,800 shares) subject to the Fifth Series of Stock Acquisition Rights (Fifth Series of Stock Acquisition Rights, the Sixth Series of Stock Acquisition Rights and the Seventh Series of Stock Acquisition Rights are defined in "(II) Stock Acquisition Rights" in "(2) Stock Acquisition Rights" in "2. Outline of the Purchase" below; the same shall apply hereinafter) (1,089 options), remaining as of October 15, 2024, reported by the Company, and whose exercise period expired as of today, less the number of shares (202,600 shares) subject to the Fifth Series Stock Acquisition Rights (1,013 options) owned by the Offeror as of today (equal to 15,200 shares), such sum of item (i) and (ii) being 67,415,200 shares, and subtracting (iii) the number of treasury shares owned by the Company as of September 30, 2024 (4,386,929 shares) (Note 2); the same shall apply hereinafter. Among the Stock Acquisition Rights, the first day of the exercise period for the Sixth and Seventh Series of Stock Acquisition Rights are April 1, 2025 and March 27, 2026, respectively. During the purchase period for the Second Tender Offer ("Second Tender Offer Period"), as the exercise of the Sixth and Seventh Series of Stock Acquisition Rights and the issuance of or transfer of Company Shares to the holders of the Stock Acquisition Rights is not expected to occur; the number of shares subject to the Sixth Series of Stock Acquisition Rights (1,310 options) and the Seventh Series of Stock Acquisition Rights (2,900 options) (the Sixth Series of Stock Acquisition Rights: 262,000 shares, the Seventh Series of Stock Acquisition Rights: 290,000 shares) have not been added to the Total Number of Shares after Taking into Account the Potential Shares of the Company. In addition, according to the Company, the exercise period of the Fourth Series of Stock Acquisition Rights as stated in the 54th Securities Report submitted by the Company on March 27, 2024 expired on March 26, 2024, and all of the Fourth Series of Stock Acquisition Rights that existed at that time were extinguished.

(Note 2) The number of treasury shares stated in the Consolidated Financial Results (Interim Period) for the Third Quarter of the Company (4,388,528 shares) includes 1,599 shares, equivalent to 40% of the 3,998 shares (Ownership Ratio: 0.01%) of the Company's shares owned by the Company's equity method affiliate Nihon Business Soft Incorporation, and as of September 30, 2024, the number of treasury shares owned by the Company is 4,386,929 shares (4,388,528 shares less 1,599 shares).

## 2. Tender Offer Price

(1) JPY 9,451 per share of common stock (the "Second Tender Offer Price" or the "Tender Offer Price")

(2) Stock Acquisition Rights

(i) JPY 1,197,200 per stock acquisition right for the Fifth Series Stock Acquisition Rights issued based on a resolution of the Board of Directors held on March 29, 2022 (the "Fifth Series Stock Acquisition Rights") (exercise period from April 1, 2024 to March 29, 2027) (the "Fifth Series Stock Acquisition Rights Tender Offer Price")

(ii) JPY 1,059,800 per stock acquisition right for the Sixth Series Stock Acquisition Rights issued based on a resolution of the Board of Directors held on March 28, 2023 (the "Sixth Series Stock Acquisition Rights") (exercise period from April 1, 2025 to March 28, 2028) (the "Sixth Series Stock Acquisition Rights Tender Offer Price")

- (iii) JPY 293,200 per stock acquisition right for the Seventh Series Stock Acquisition Rights issued based on a resolution of the Board of Directors held on March 26, 2024 (the “Seventh Series Stock Acquisition Rights,” and the Fifth Series Stock Acquisition Rights, the Sixth Series Stock Acquisition Rights, and the Seventh Series Stock Acquisition Rights, collectively, the “Stock Acquisition Rights”) (exercise period from March 27, 2026 to March 24, 2034) (the “Seventh Series Stock Acquisition Rights Tender Offer Price”)

### 3. Details, Grounds and Reasons for the Opinion on the Second Tender Offer

#### (1) Details of the Opinion on the Second Tender Offer

At a meeting of the Board of Directors held on November 15, 2024, the Company received a Supplementary Opinion dated November 15, 2024 (the “November 15 Opinion”) from the Special Committee established by the Company (the “Special Committee”), and after sincerely and carefully discussing the Second Tender Offer while giving the utmost respect to the content of the November 15 Opinion, the Board of Directors resolved to express an opinion in support of the Second Tender Offer and to recommend that the Company’s shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer. Further, the Company received the November 18 Opinion from the Special Committee and was notified by the Offeror today that the Second Tender Offer will be conducted during a tender offer period from November 20, 2024 to December 19, 2024, and in light of that, it was resolved at a meeting of the Board of Directors held today to continue expressing an opinion in support of the Second Tender Offer and to recommend that the Company’s shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer.

Please note that the resolutions of the Board of Directors made on November 15, 2024, and today were made in the manner set out in “(g) Approval of All Directors With No Interest in the Company and Opinion of No Objection of All Company Auditors With No Interest in the Company” in “(6) Measures to Ensure Fairness in the Tender Offers such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

For the content of the November 15 Opinion submitted by the Special Committee and the opinion of the Company’s Board of Directors dated November 15, 2024, see the Notice of Resolution on the Statement of Opinion on the Second Tender Offer for the Company Share Certificates by FK Co., Ltd. and the Tender Offer for the Company Share Certificates by K.K. BCJ-88 announced by the Company on November 15, 2024.

#### (2) Grounds and Reasons for Opinion

The statements regarding the Offeror in the grounds and reasons for the opinion regarding the Second Tender Offer are based on explanations received from the Offeror.

##### (a) Overview of the Tender Offers

The Offeror is a stock company established on July 26, 2024, the principal business of which is to acquire and own the Company Share Certificates through the First Tender Offer and the Second Tender Offer, and to control and manage the business activities of the Company after the completion of the Tender Offers. As of today, all of the Offeror’s issued shares are owned by FK Holdings Co., Ltd. (“Offeror Parent Company”), a stock company established on July 26, 2024. As of today, the Offeror owns 21,413,302 Company Shares (Ownership Ratio: 33.97%), 1,013 Fifth Series Stock Acquisition Rights, 1,230 Sixth Series Stock Acquisition Rights, and 2,700 Seventh Series Stock Acquisition Rights (22,131,902 shares on an as-converted basis (Ownership Ratio: 35.11%)). In addition, as of today, FK Investment L.P. (“KKR Fund”), a limited partnership established under the laws of Ontario, Canada on July 24, 2024, which is indirectly operated by Kohlberg Kravis Roberts & Co. L.P. (including affiliates and related funds; “KKR”), an investment advisory firm established under the laws of Delaware, U.S.A., owns all of the issued shares of the Offeror Parent Company. The Offeror Parent Company and the KKR Fund do not own the Company Shares as of today.

KKR is an international investment company that was established in 1976, which has approximately 578 billion dollars in assets under management throughout the world, including private equity investments; the shares of KKR are listed on the

New York Stock Exchange. KKR has an investment philosophy that focuses on investing with a long-term perspective based on partnerships with management. As a partner to companies and their management with excellent business foundations and potential, KKR aims to create a leading company in the industry by utilizing the various management resources, knowledge, and networks of KKR.

Since the opening of its Tokyo office in 2006, KKR has been expanding its investment activities in the Japanese market actively; it is operated by employees who are well aware of commercial business practices in Japan and have a range of backgrounds. In particular, with respect to tender offers, it is considered that KKR leverages the strengths of its global network and has leading operational experience as a private equity fund in Japan, for example, having achieved tender offers for Hitachi Transport System, Ltd. (currently LOGISTEED, Ltd.; “LOGISTEED”) in 2022 (the largest M&A transaction in Japan) (total purchase amount: 449.2 billion yen), and Calsonic Kansei Corporation (currently Marelli Corporation) (total purchase amount: 345.5 billion yen), Hitachi Koki Co., Ltd. (currently Koki Holdings Co., Ltd.) (total purchase amount: 88.2 billion yen) and Hitachi Kokusai Electric Inc. (currently KOKUSAI ELECTRIC CORPORATION; “KE”) (total purchase amount: 143.9 billion yen) in 2017. In particular, with respect to KE, after a corporate split following its delisting, in partnership with KKR, as a specialized manufacturer of semiconductor manufacturing equipment, KE deals in the manufacture and sale of coating equipment and treatment equipment for front-end processes, and has established a rock-solid management base, for example, by having the No. 1 worldwide share in the batch ALD equipment field (2023) (Source: “TI\_ALD Tools\_Yearly” by TechInsights Inc. (VLSI) in April 2024). Thereafter, considering not only the recovery in the semiconductor cycle, but also that the market environment in which the demand for coating/treatment technology of which KE takes advantage is expected to continue to increase, given an industry environment in which semiconductor devices become smaller and more complex at an accelerating rate, KE achieved re-listing of its shares on the Prime Market of the Tokyo Stock Exchange, Inc. (“TSE”) in October 2023. Currently, KE has grown to have a market capitalization of more than 560 billion yen (as of November 18, 2024), and KE is believed to be an example of KKR’s aspiration to “create a leading company in the industry by utilizing the various management resources, knowledge and networks of KKR.”

In addition, KKR is considered to have extensive investment and management experience in the IT and software fields and DX (Note 1) field related to the business of the Company. In March 2021, KKR acquired shares of Seiyu Co., Ltd., a major supermarket company under the umbrella of Walmart Inc., jointly with Rakuten DX Solution G.K., a subsidiary of Rakuten, Inc. (currently Rakuten Group, Inc.; “Rakuten”), and supports the promotion of DX by fusing the internet with real-life retail through the alliance with Rakuten. For companies with such high growth potential in the future, KKR takes measures to support acceleration of the companies’ growth and system development by providing KKR’s capital, human resources, and network. In March 2022, KKR acquired Yayoi Co., Ltd. (“Yayoi”), which provides business software and has the No. 1 share in Japan in cloud accounting software for sole proprietors (Source: “Survey of Use of Cloud Accounting Software (March 31, 2024)” by MM Research Institute, Ltd.), from ORIX Corporation. While more than 99% of Japanese companies are small and medium-sized enterprises (as defined in Article 2, paragraph (1) of the Basic Act on Small and Medium-Sized Enterprises (Act No. 154 of July 20, 1963) (Note 2)), Yayoi is considered to play a key role in supporting improvements to business efficiency and enhancement of productivity in small and medium-sized enterprises, as well as promoting DX and cloud computing; therefore, Yayoi seems to have considerable room for future growth. KKR is considered to have extensive global investment experience in the software, cloud, and SaaS (Note 3) fields, and KKR is supporting Yayoi’s new growth using its experience and knowledge.

(Note 1) “DX” stands for “digital transformation” and means providing new value and experiences and social transformation through the use of digital technology.

(Note 2) “Small and medium-sized enterprises” means (i) companies with stated capital or total contribution amounts of 0.3 billion yen or less and companies and individuals with 300 or fewer full-time employees, which engage in manufacturing business, construction business, transportation business and other businesses (excluding wholesale business, service business and retail business) as their principal business; (ii) companies with stated capital or total contributions of 0.1 billion yen or less and companies and individuals with 100 or fewer full-time employees, which engage principally in the wholesale business;

(iii) companies with stated capital or total contributions of 50 million yen or less and companies and individuals with 100 or fewer full-time employees, which engage principally in service businesses; and (iv) companies with stated capital or total contributions of 50 million yen or less and companies and individuals with fifty or fewer full-time employees, which engage principally in retail businesses.

(Note 3) “SaaS” stands for “software as a service” and means providing software functions as services via the internet.

In addition, KKR is considered to have extensive investment experience working with start-up companies in the DX solutions field. In August 2019, KKR invested in FromScratch Co., Ltd (currently dataX Inc.; “dataX”), which develops and provides a data marketing platform and supports the development and provision of a SaaS-type data marketing platform called “b→dash” for unified acquisition, integration, utilization, and analysis of all big data existing in business processes. Given that data use by companies is becoming more and more important, it is believed that the future growth of dataX can be expected to a great extent, not only in the Japanese market but also in global markets, especially in Asia; therefore, KKR is supporting dataX’s further business expansion, and expansion into global markets, as a SaaS company originating in Japan, through KKR’s global network. In April 2021, KKR invested in NETSTARS Co., Ltd. (“NETSTARS”), which provides “StarPay,” a QR code multi-payment gateway, and is supporting the provision of innovative solutions for disseminating and promoting cashless payments. KKR supports NETSTARS’ ongoing business expansion in the Japanese and overseas markets through KKR’s global network and investee companies related to Fintech (Note 4). In addition, after KKR supported the strengthening of NETSTARS’ governance structure towards the listing of its shares, NETSTARS shares were listed on the Growth Market of the TSE in September 2023. In July 2024, KKR invested in SmartHR, Inc. (“SmartHR”), which operates cloud-based human resources and labor management software and promotes digitalization and dissemination of cloud in HR operations and talent management, through cloud human resources and labor management software called “SmartHR,” which is one of the leading SaaS platforms for human resources and labor management in Japan. KKR will play a key role in enhancing labor productivity in Japan by utilizing KKR’s global expertise, best practices, and networks to support SmartHR’s ongoing growth.

(Note 4) “Fintech” is a term that combines “finance” and “technology,” and means various innovative movements that combine financial services and information technology.

KKR is also focusing on investment activities in the real estate field in Japan. In April 2022, KKR acquired a real estate management company, Mitsubishi Corp.-UBS Realty Inc. (currently KJR Management, “KJRM”) from Mitsubishi Corporation and UBS Group AG. By utilizing the resources and network of KJRM, which has a strong business foundation and total assets under management of 1.6 trillion yen, and KKR, which has developed a global real estate investment business, KKR supports the further enhancement of KJRM’s value. With respect to KJRM, collaboration with the investee companies of KKR is also promoted, and in 2024, KJRM implemented securitization of assets exceeding 200 billion yen, in which the 33 distribution centers in Japan owned by LOGISTEED were transferred to Industrial & Infrastructure Fund Investment Corporation ( “IIF”), by which KJRM is entrusted with asset management and a private placement fund formed for the purpose of acquiring the target properties. It is considered that this project will contribute the enhancement of KJRM’s corporate value through the acquisition of an excellent industrial real estate portfolio, and also that in the process of considering a “shift to the asset-light business model,” which is the main business model in global logistics companies, in order for LOGISTEED to achieve “relisting as a global logistics company,” this project will contribute to further business growth and the enhancement of the corporate value of LOGISTEED by realizing the shift to an asset-light business model and the improvement of capital efficiency. In addition, in November 2023, Central Tank Terminal Co., Ltd. (“CTT”), in which KKR has invested, transferred the three tank terminal properties owned by CTT to IIF, and also implemented a sale-and-leaseback transaction for which a lease agreement was executed with IIF. It is considered that this project is an initiative which will lead to both enhancement of CTT’s corporate value as a major tank terminal operator, through CTT’s asset-light strategy, and that of KJRM, through the acquisition of a prime asset in the form of a rare tank terminal site with high stability and profitability at IIF.

In addition, starting with its 2010 investment in Intelligence, Ltd., which provides comprehensive human resources services,

in 2014 KKR supported Panasonic Healthcare Co., Ltd. (“PHC”) in achieving independence from Panasonic Corporation, in 2015 KKR invested in the DJ equipment business (currently, Pioneer DJ Corporation), a division of Pioneer Corporation, in 2016 PHC acquired the diabetes care business of Bayer Aktiengesellschaft and its subsidiary, Bayer Healthcare, and in 2019 KKR acquired the anatomical pathology business (currently EpreDia) of Thermo Fisher Scientific, Inc. and acquired LSI Medience Corporation, a major Japanese clinical laboratory under the umbrella of Mitsubishi Chemical Holdings Corporation. Thus, by expanding its investment activities in the Japanese market and promoting both organic (i.e., a method using existing management resources) and inorganic (i.e., via an alliance with another company, acquisition of another company, or other means) growth strategies, as well as promoting improvement of profitability and business efficiency, KKR is working to support business growth and enhance the corporate value of the investee companies.

As described in the Tender Offer Registration Statement submitted on September 5, 2024 (including the matters amended in the amendment statement to the Tender Offer Registration Statement submitted on September 13, 2024, the amendment statement to the Tender Offer Registration Statement submitted on September 19, 2024, the amendment statement to the Tender Offer Registration Statement submitted on September 27, 2024, the amendment statement to the Tender Offer Registration Statement submitted on October 1, 2024 and the amendment statement to the Tender Offer Registration Statement submitted on October 21, 2024; the “First Tender Offer Registration Statement”), the Tender Offer conducted the First Tender Offer with the First Tender Offer Price per Company Share of 8,800 yen and the First Tender Offer Period of September 5, 2024 until November 5, 2024, without setting any minimum or maximum number of shares to be purchased, with the aim of acquiring all of the Company Shares (including the restricted shares of the Company granted to the directors and executive officers of the Company as restricted stock compensation (“Restricted Shares”) and the Company Shares to be delivered upon the exercise of the Stocks, excluding the treasury shares held by the Company) and all of the Stock Acquisition Rights, through which the Offeror will be made the sole shareholder of the Company, as part of a series of transactions aimed at privatizing the Company Shares which were listed on the TSE’s Prime Market as of the submission date of First Tender Offer Registration Statement (“Transaction”). The First Tender Offer was completed, with the number of First Tender Offer tendered shares (“First Tender Offer Tendered Shares”) being 22,131,902 shares (Note 5) (Ownership Ratio: 35.11%). Subsequently the settlement of the First Tender Offer was completed on November 12, 2024, and as of today, the Offeror has acquired 22,131,902 Company Shares (Ownership Ratio: 35.11%).

(Note 5) The number of Stock Acquisition Right is the number of shares after conversion based on their terms of issuance.

The Offeror decided on September 19, 2024 that if the First Tender Offer was completed, the Offeror would conduct the Second Tender Offer with the aim of acquiring all of the Company Shares and Stock Acquisition Rights other than those acquired through the First Tender Offer (which includes Restricted Shares and Company Shares delivered upon exercise of the Stock Acquisition Rights but excludes treasury shares owned by the Company), and if the Offeror acquired 33,658,500 or more Company Shares (Ownership Ratio: 53.40% (Note 6)) in the First Tender Offer, the Second Tender Offer would not be conducted. However, as the number of First Tender Offer Tendered Shares was 22,131,902 shares (Ownership Ratio: 35.11%), which is less than 33,658,500 shares, the Offeror decided to conduct the Second Tender Offer. In light of the fact that Company’s share price has continued to trade above the First Tender Offer Price (8,800 yen), so as to increase the likelihood of the swift privatization of the Company, on November 15, 2024, the Offeror decided to raise the Second Tender Offer Price to 9,451 yen and decided to set to the purchase price per Stock Acquisition Right (“Second Stock Acquisition Right Purchase Price” or “Stock Acquisition Right Purchase Price”) at the amount calculated by multiplying the difference between the Second Tender Offer Price (9,451 yen) and the exercise price per Stock Acquisition Right by the number of Company Shares which are subject to a Stock Acquisition Right (Fifth Series Stock Acquisition Rights: 5,986 yen, Sixth Series Stock Acquisition Rights: 5,299 yen and Seventh Series Stock Acquisition Rights: 2,932 yen) (such amounts being Fifth Series Stock Acquisition Rights: 1,197,200 yen, Sixth Series Stock Acquisition Rights: 1,059,800 yen, Seventh Series Stock Acquisition Rights: 293,200 yen) (“Price Increase”). Upon informing the Company of the same, the Company stated that at its board of directors meeting held on November 15, 2024, the Company resolved to express its opinion in opposition to Bain Capital Private Equity, LP’s (“Bain Capital”) tender offer, and to express its opinion in support for the Second Tender Offer, and to recommend that the Company shareholders and Stock Acquisition Right holders (“Stock Acquisition Right

Holders’)) tender their Company Securities in the in the Second Tender Offer. Therefore, on November 15, 2024, the Offeror decided to commence the Second Tender Offer as soon as practicable once the disclosure documentation is prepared, which is expected to be mid-week during the week of November 18, 2024. Subsequently, as the disclosure documentation was prepared, on November 19, 2024, the Offeror decided to commence the Second Tender Offer from November 20, 2024. In light of the Price Increase, from the perspective of fairness, if the Second Tender Offer is completed, the Offeror intends on compensating all Company shareholders and Stock Acquisition Rights Holders who tendered in the First Tender Offer in the amount of the difference between the purchase priced determined by the Price Increase, and the First Tender Offer Price and the purchase price per Stock Acquisition Right in the First Tender Offer (“First Stock Acquisition Right Purchase Price”) (common shares: 651 yen, Fifth Series Stock Acquisition Rights: 130,200 yen per option, Sixth Stock Acquisition Rights: 130,200 yen per option, Seventh Series Stock Acquisition Rights: 65,100 yen per option). However, details as to the timing and method of such compensation are currently under consideration and will be announced promptly as soon as it is decided.

(Note 6) The Ownership Ratio stated in the First Tender Offer Registration Statement is 53.22%. As the Total Number of Shares after Taking into Account the Potential Shares of the Company has decreased since the publication of the First Tender Offer Registration Statement, the Ownership Ratio has changed from that stated in the First Tender Offer Registration Statement; the same shall apply hereinafter.

The Offeror executed an agreement as of August 8, 2024 with 3D Investment Partners Pte. Ltd. (“3DIP”), the largest shareholder of the Company at the time, to tender all of the Company Shares for which 3DIP has investment authority (number of shares held: 14,834,000 shares, Ownership Ratio : 23.54%) in the First Tender Offer (“3DIP Tender Agreement”). In addition, the Offeror executed an agreement with Farallon Capital Partners, L.P. (number of shares held: 444,992 shares, Ownership Ratio (0.71%), Farallon Capital Institutional Partners, L.P. (number of shares held: 702,957 shares, Ownership Ratio (1.12%), Four Crossings Institutional Partners V, L.P. (number of shares held: 108,631 shares, Ownership Ratio (0.17%), Farallon Capital Institutional Partners II, L.P. (number of shares held: 150,040 shares, Ownership Ratio (0.24%), Farallon Capital Offshore Investors II, L.P. (number of shares held: 1,754,833 shares, Ownership Ratio (2.78%), Farallon Capital F5 Master I, L.P. (number of shares held: 314,460 shares, Ownership Ratio (0.50%), Farallon Capital (AM) Investors, L.P. (number of shares held: 57,458 shares, Ownership Ratio (0.09%), Farallon Capital Institutional Partners III, L.P. (number of shares held: 76,299 shares, Ownership Ratio (0.12%), and Cabrillo Funding Ltd. (number of shares held: 2,224,000 shares, Ownership Ratio (3.53%), (collectively, “Farallon”; 3DIP and Farallon are referred to collectively as the “Tendering Shareholders”), shareholders of the Company at the time, to tender all of the Company Shares held by Farallon (number of shares held: 5,833,670 shares, Ownership Ratio: 9.26%) in the First Tender Offer (“Farallon Tender Agreement”; the 3DIP Tender Agreement and the Farallon Tender Agreement are collectively referred to as the “Tender Agreements,” and the Company Securities (total: 20,667,670 shares, Ownership Ratio: 32.79%) to be tendered under the Tender Agreements shall be referred to as the “Planned Tender Shares”). Subsequently, each of the Tendering Shareholders tendered their respective Planned Tender Shares in the First Tender Offer pursuant to their respective Tender Agreements, and the Offeror acquired each of the Planned Tender Shares on the commencement date of settlement of the First Tender Offer (November 12, 2024).

As described in the amendment statement to the Tender Offer Registration Statement submitted on September 19, 2024, so that the shareholders of the Company and Stock Acquisition Rights Holders who wish to assess whether Bain Capital would make a legally binding proposal in October 2024 and announce a planned tender offer as described in the “Notice of Submission of Proposal for Tender Offer for FUJI SOFT INCORPORATED (Securities Code: 9749) by Bain Capital” announced by Bain Capital on September 3, 2024 (“Bain Capital Press Release Dated September 3, 2024”), and the details thereof, will have a certain opportunity secured to sell the Company Shares at the same price as that of the First Tender Offer Price, and the Stock Acquisition Rights at the difference between the First Tender Offer Price and the exercise price per Company Share even in the case that Bain Capital has not announced a planned tender offer, the Second Tender Offer Price was set at 8,800 yen. However, as described above, the Price Increase was decided upon. In addition, in the Tender Offer, the Offeror has set 12,133,398 shares (Ownership Ratio: 19.25%) as the minimum number of shares to be purchased, which is the amount obtained by deducting 21,413,302 shares (Ownership Ratio: 33.97%), the number of Company Shares owned by the Offeror as of today, from 33,546,700 shares (Ownership Ratio: 53.22%), and if the total number of the shares, etc.

tendered in the Tender Offer (“Tendered Shares”) is less than the minimum number of shares to be purchased (12,133,398 shares), the Offeror will not purchase any of the Tendered Shares. On the other hand, as the Offeror aims to take the Company private by acquiring all of the Company Shares (which includes Restricted Shares and Company Shares delivered upon exercise of the Stock Acquisition Rights but excludes Company Shares held by the Offeror and treasury shares owned by the Company) and all of the Stock Acquisition Rights (excluding Stock Acquisition Rights held by the Offeror), the Offeror has not set a maximum number of shares to be purchased in the Tender Offer, and if the total number of Tendered Shares equals to or exceeds the minimum number of shares to be purchased, which is 12,133,398 shares, the Offeror will purchase all of the Tendered Shares. The minimum number of shares to be purchased, which is 12,133,398 shares, is the number of shares derived by multiplying the number of voting rights for the Total Number of Shares after Taking into Account the Potential Shares of the Company (630,282 voting rights) by 53.25% (335,626 voting rights; rounded up to the nearest whole number), after deducting the number of voting rights (159 voting rights) for the number of Restricted Shares held by directors of the Company (totaling 15,937 shares, Ownership Ratio: 0.03%) (Note 7), and then multiplying such number of voting rights by 100 (33,546,700 shares), the share unit of the Company, and then deducting 21,413,302 shares (Ownership Ratio: 33.97%), the number of Company Shares owned by the Offeror as of today, which amounts to 12,133,398 shares (Ownership Ratio: 19.25%).

(Note 7) Although the Restricted Shares cannot be tendered in the Tender Offer due to transfer restrictions attached thereto, at the meetings of the board of directors of the Company held on August 8, 2024, November 15, 2024 and November 19, 2024, resolutions were passed to express an opinion in favor of the Tender Offer, on the assumption of the delisting. At the time of such resolution, of the 12 directors of the Company, 11, excluding Tomoyasu Sakashita, Representative Director of the Company (“Mr. Sakashita”), participated in the deliberations and the resolution, and all of the directors who participated in the resolution voted in favor (given Mr. Sakashita is related by marriage to the Founding Family Shareholders (as defined in “(ii)Background of Examinations and Negotiations” in “(c)Process and Reasons for the Decision-Making of the Company” below) and it is possible that he may be deemed to have a special interest in both the First Tender Offer proposed by the Offeror, and the proposal to take the Company private by Bain Capital, on the assumption of an agreement between Bain Capital and the Founding Family Shareholders, at the board of directors meetings on November 15, 2024 and November 19, 2024, he did not participate in any review regarding the Transaction, or discussions or negotiations with the Offeror on behalf of the Company in order to avoid the risk of a conflict of interest and to ensure the fairness of the Transaction). It is therefore expected that if the Tender Offer is completed, it is likely that the Squeeze-out Procedure (as defined below; the same shall apply hereinafter) will be supported, and thus in determining the minimum number of shares to be purchased, the number of voting rights for the Restricted Shares is deducted.

The reasons for setting the minimum number of shares to be purchased in the Tender Offer are as follows.

The “Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders’ Interests” formulated by the Ministry of Economy, Trade and Industry on June 28, 2019, indicate that “in recent years, especially in Japan’s capital market trends, the scale of passive index management funds (Note 8) has been expanding, and some investors do not, in principle, tender their shares in a tender offer regardless of the suitability of the transaction conditions.” The Offeror understands that some of the passive index management funds that own the Company Shares will not tender their shares in the tender offer, in principle, regardless of the suitability of the terms of the tender offer, but in light of past cases, it understands that some of them intend to vote in favor of the proposal on the share consolidation at the general shareholders meeting following the squeeze-out procedure. In addition, the Company’s shareholders include pension asset management institutions (Note 9) other than passive index management funds, and in general, the voting behavior of pension asset management institutions follows the policies of the asset management companies to which they entrust the management of their assets. If the management policy of the pension reserve fund to be managed is passive, and the main investment assets of the asset management company to which management has been entrusted are passive index management funds, it is understood that the entrusting pension asset management institution will consequently adopt the same management policy and voting behavior as the passive index management funds, and although some passive index management funds may not tender their shares in the Tender Offer, if the Tender Offer is completed, it is expected that they will vote in favor of the proposal on the share consolidation at the



general shareholders meeting in the subsequent squeeze-out procedure (hereinafter, such pension asset management institutions that are thought to have such management policy and voting behavior are collectively referred to as “passive index management funds”). Since among the Company Shares owned by passive index management funds, at the time of publication of the Offeror Press Release Dated August 8, 2024, the Offeror did not have any specific estimates as to the most recent number of Company Shares owned by passive index management funds, including information about the number of Company Shares which are managed based on a passive index management policy, at such time the minimum number of shares to be purchased in the First Tender Offer was set at 42,142,900 shares (Ownership Ratio: 66.86%) (Note 10) such that the Offeror would hold more than two-thirds of the total voting rights of the Company after the First Tender Offer. However, while reviewing the shareholder identification survey of the Company as of June 30, 2024 conducted by the Company, which was shared by the Company on August 21, 2024 (the “Company Shareholder Identification Survey”), the Company recognized that a certain number of passive index management funds may hold the Company Shares. Taking into account the status of major shareholders listed in the 55th Semiannual Report submitted by the Company on August 9, 2024, and the results of the Company Shareholder Identification Survey, and additional materials for the Company Shareholder Identification Survey received from the Company on August 29, 2024 (“Additional Materials for the Company Shareholder Identification Survey”), as it is expected that there is a certain number of Company Shares owned by the passive index management funds, the Offeror requested that a third party estimate the expected number of Company Shares owned by the passive index management funds based on publicly available information, the results of the Company Shareholder Identification Survey, the Additional Materials for the Company Shareholder Identification Survey, and information provided by information vendors that provide various data services, such as information on financial markets, prior to the publication of the “Notice Regarding the Commencement of Tender Offer for the Shares of FUJI SOFT INCORPORATED (Securities Code: 9749) by FK Co., Ltd” dated September 4, 2024.

As a result, although it is difficult to accurately ascertain and estimate the number of Company Shares owned by the passive index management funds, it was estimated that the passive index management funds may own at least about 8.2% of the Company Shares.

As stated above, while some passive index management funds will not tender their shares in the Tender Offer, after the completion of the Tender Offers, if a proposal on the Share Consolidation (as defined in “(5) Policy on Organizational Restructuring After the Tender Offers (Matters Relating to the So-Called Two-Step Acquisition)” below) is submitted to the Extraordinary General Shareholders Meeting (as defined in “(5) Policy on Organizational Restructuring After the Tender Offers (Matters Relating to the So-Called Two-Step Acquisition)” below), some of them may vote in favor of the proposal, and as it generally can be inferred that they will exercise their voting rights in favor of the proposal at the general meeting of shareholders proposed after the company expresses its support for the proposal, even if the number of Company shares held by the Offeror after completion of the Tender Offers is 33,546,700 shares (Ownership Ratio: 53.22%), it is expected that the Company Shares whose voting rights will be exercised in favor of the proposal on the Share Consolidation will reach 61.45% in terms of the ownership ratio (Note 11). Furthermore, considering the number of Company Shares required for the approval of the proposal on the Share Consolidation being at a level equivalent to the ratio (approximately 61.44%) calculated by multiplying 92.16%, which is the maximum voting rate at the general shareholders meeting for the most recent three fiscal years of the Company (rounded to the nearest three decimal places; the same shall apply hereinafter in the calculation of the voting rights ratio) by two-thirds, which is the voting rights ratio required for the approval of a special resolution at the general shareholders meeting, it is estimated that the level of the number of Company Shares whose voting rights will be exercised in favor of the proposal on the Share Consolidation (approximately 61.45%) will exceed the voting rights ratio of 61.44%, and in light of this, the Offeror expects that the requirements for the approval of the proposal on the Share Consolidation will be satisfied.

Based on the information above, the Tender Offer has set the number of voting rights of the Company to be held by the Offeror after the Tender Offer as at least equal to 53.22% of the total voting rights of the Company in order to ensure the stable completion of the Tender Offers and maximize the likelihood of the success of the Transaction and to ensure that the voting rights of the Company held by the Offeror will reach a level at which the proposal on the Share Consolidation is

approved at the Extraordinary General Shareholders Meeting, even if the Offeror does not own two-thirds of the voting rights of all shareholders of the Company after the Tender Offer.

(Note8) A passive index management fund is a fund that aims to secure a return on par with market averages by managing the fund for the purpose of linking investment results with indices, such as stock price indices, which serve as benchmarks for the market of stocks and other investment assets.

(Note9) A pension asset management institution is an institution that manages and operates pension funds deposited by members.

(Note10) The Ownership Ratio stated in the First Tender Offer Registration Statement is 66.64%. As the Total Number of Shares after Taking into Account the Potential Shares of the Company has decreased since the publication of the First Tender Offer Registration Statement, the Ownership Ratio has changed from that stated in the First Tender Offer Registration Statement; the same shall apply hereinafter. As described in the amendment statement to the Tender Offer Registration Statement submitted on September 19, 2024, on the same day, the Offeror decided to remove the minimum number of shares to be purchased in the First Tender Offer.

(Note11)As mentioned in Note 7 above, as among the Restricted Shares, the number of shares held by the Company's directors (ownership ratio: 0.03%) are expected to support the Squeeze-out Procedure if the Tender Offer is completed, in addition to the Company Shares held by the passive index management funds (ownership ratio: approximately 8.2%), the number of the Restricted Shares (ownership ratio: 0.03%) has been added to 33,546,700 shares (ownership ratio: 53.22%), which is the total of the minimum number of shares to be purchased in the Tender Offer (12,133,398 shares (Ownership Ratio: 19.25%) and the number of Company Shares held by the Offeror as of the submission date of today (21,413,302 shares (Ownership Ratio: 33.97%).

The Offeror plans to finance the funds required for the settlement of the Tender Offer by borrowing from financial institutions and through capital contributions and loans from the Offeror Parent Company by 1 business day prior to the commencement date of settlement of the Tender Offer.

If the Offeror is unable to acquire all of the Company Shares (which includes Restricted Shares and Company Shares delivered upon exercise of the Stock Acquisition Rights but excludes treasury shares owned by the Company) and all of the Stock Acquisition Rights through the Tender Offer, the Offeror intends to implement a series of procedures after the completion of the Tender Offer to make the Offeror the sole shareholder of the Company ("Squeeze-out Procedure"; for details, please refer to "(5) Policy on Organizational Restructuring After the Tender Offers (Matters Relating to the So-Called Two-Step Acquisition)").

As stated above, as the minimum number of shares to be purchased in the Tender Offer is set at 12,133,398 shares (Ownership Ratio: 19.25%), such that the number of Company Shares held by the Offeror after the Tender Offer will, when combined with the number of Company Shares held by the Offeror as of today (21,413,302 shares (Ownership Ratio: 33.97%), be equal to or more than 33,546,700 shares (Ownership ratio: 53.22%), if the total number of voting rights of the Company held by the Offeror is less than two-thirds of the total number of voting rights of all shareholders of the Company after the completion of the Tender Offer, it is possible that the proposal for the Share Consolidation to be conducted as part of the Squeeze-out Procedure will not be approved at the Extraordinary General Shareholders Meeting. However, even if approval is not obtained, the Offeror will ultimately acquire all of the Company Shares (including the Company Shares to be delivered through the exercise of the Restricted Shares and the Stock Acquisition Rights and excluding the Company Shares held by the Offeror and treasury shares held by the Company) to take the Company private, and taking into account, among other matters, the status of tenders in the Tender Offer, status of ownership and attributes of the Company Shares of the Company shareholders, trends in the market share price, and the ratio of voting rights exercised at the Extraordinary General Shareholders Meeting, the Offeror will acquire the Company Shares by all means until the proposal of the Share Consolidation is approved at the general shareholders meeting of the Company to take the Company private. Although there are no assumptions regarding the acquisition at this time, the Offeror will use the market price in the case of an on-market

transaction, and in the case of a method other than an on-market transaction, the Offeror will acquire the Company Shares at a price evaluated as being economically equivalent to the Tender Offer Price per share, unless there is an event that causes an adjustment to become necessary, such as a share consolidation or a share split by the Company. The specific timing and method of the additional acquisition and the period required for the subsequent approval of the proposal on the Share Consolidation at the general shareholders meeting cannot be determined at this time due to various circumstances, such as market conditions. However, the Offeror intends to make every effort to implement the Share Consolidation as soon as practicable.

(b) Background, Purpose, and Decision-Making Process Leading to the Offeror’s Decision to Conduct the Tender Offers and Management Policy Following the Tender Offers

(i) Business Environment of the Company

The Company was established in May 1970 in Yokohama, Kanagawa Prefecture with the trade name of Fuji Software Laboratory, Ltd. and was listed on the Second Section of the TSE in October 1992. Upon merging with ABC Co., Ltd. in October 1996, the Company’s trade name was changed to FUJISOFT ABC Incorporated. Following that, in September 1998, the company changed its listing to the First Section of the TSE, and in July 2006, it changed its trade name to its current name, Fuji Soft Incorporated. Since the restructuring of the TSE market classification in April 2022, the Company transitioned to the Prime Market of the TSE, which is where it is currently listed.

The Company provides its customers with peace of mind, benefits, new technologies and added value under a thorough quality control system based on the spirit of “hinoki” (quality, timely delivery, and confidentiality). As a group of ICT (Note 1) professionals, the Company will continue its motto, “Challenge and Creation” and aim to achieve its medium-term policy: to become “an innovative corporate group that links ICT development to improving value for our customers.”

(Note 1) “ICT” stands for “information and communication technology.”

As of the date of this Press Release, the Company group (which means the Company, its subsidiaries and its affiliates, hereinafter the same) is composed of the Company, 32 consolidated subsidiaries, two equity method non-consolidated subsidiaries, and one equity method affiliate, and is principally engaged in the System Integration (SI) business (Note 2) and the Facility business. In the SI business, the Company develops embedded/control software for machine control systems and the automotive industry as well as business software for use in various industries. The Company also provides product services that sell its own products and other products based on strategic partnerships using system construction technology, as well as system construction, maintenance, and operation services.

(Note 2) “System Integration (SI)” means a business or service that comprehensively handles everything from the planning of computer systems requested by customers to system construction, operation, and maintenance, including the selection and implementation of necessary hardware and software.

The environment surrounding the Company group has been undergoing changes recently. These changes include not only macroeconomic factors such as the easing of COVID-19 restrictions, the resumption of consumer activity, prolonged supply chain disruptions, and rising prices, but also shifts in the information services market including the establishment of the new normal, the expansion of digital technology use in business reforms and innovation such as DX, an increased demand for strategic system investments aimed at productivity improvement, business efficiency, and automation due to labor shortages, and increased competition for IT talent accompanying those changes. In light of these circumstances, the Company has taken on the challenge of responding to macroeconomic changes and changes in the market in these unpredictable times, adapting to ever-evolving technological innovations, and challenging and creating new businesses. Under its management policy of “becoming the leading company providing systems/software and services in the IT x OT (Note 3) field to contribute to its customers and society,” the Company formulated a medium-

term management plan (announced on February 14, 2024) covering the five-year period from FY 2024 to FY 2028 and is working to achieve sustainable growth and increased added value. Under that medium-term management plan, the Company is promoting measures such as growth in the contract business, improving profitability, reducing sales and administrative expenses through business reforms and DX promotion, growth in the product service business, taking on new businesses with higher added value, strengthening its technological capabilities, enhancing group synergies, expanding global operations, reinforcing its management foundation, strengthening corporate governance, and promoting sustainability management. Furthermore, the Company is focusing on key areas such as “DX + AIS-CRM (pronounced “ice cream”) (Note 4) + SD (service design) + (5) G2 (5G and local 5G (Note 5))” and plans to strengthen DX solutions, focus on the areas of AI, IoT (Note 6), Security, Automotive, Mobile, Robot and Cloud Computing, strengthen upstream service design and IT consulting, take initiatives to advance 5G and local 5G, and expand global operations. The Company is also focusing on its own DX, promoting internal transformation and enhancing its business competitiveness through corporate reforms. It is committed to improving profitability through the development of new business domains with higher added value and improving productivity. The Company is working on intelligent technology and AI, and it began validating a service related to ChatGPT (Note 7) and has been studying efficient and effective ways of using ChatGPT. As of the date of this Press Release, the Company has built its own ChatGPT environment and is continuing internal validation, aiming to contribute to its customers’ businesses by continuing to challenge itself with advanced technologies and providing its customers with improved services.

(Note 3) “OT” stands for “Operational Technology” and refers to the optimal “control and operation technology” of products, equipment, and systems.

(Note 4) “AIS-CRM” stands for “AI/IoT/Security/Cloud/Robotics/Mobile/Automotive” and represents the Company’s current new technology fields of focus and strength.

(Note 5) “Local 5G” refers to a private 5G service that leverages next-generation communications technology that enables ultra-high-speed and high-capacity communications and is built and utilized by businesses and local governments in areas such as bases or specific regions based on the individual needs of the region or industry.

(Note 6) “IoT” stands for “Internet of Things” and refers to systems where various devices that were not previously connected to the Internet are connected to a network and can exchange information with each other.

(Note 7) “ChatGPT” stands for “Chat Generative Pre-trained Transformer,” a type of large language model (LLM) (Note 8) released by OpenAI in November 2022.

(Note 8) “Large Language Model (LLM)” refers to an AI model constructed by learning from vast data sets of language.

(ii) Discussions Between the Offeror, the Company and 3DIP and the Offeror’s Decision-Making Process, Etc.

Under the business environment described in “(i) Business Environment of the Company, Etc.” above, the Company established the Corporate Value Committee as announced on August 5, 2022 in “Establishment of the Corporate Value Committee.” Under that committee, various working groups (the “WGs”) were formed to discuss management options to improve the corporate value of the Company. Those WGs include: (i) the Corporate Governance Review WG, (ii) the Shareholder and Investor Relations WG, (iii) the Business Review WG, (iv) the Group Companies Review WG, and (v) the Real Estate Review WG. In early July 2022, the Company appointed QuestHub Co., Ltd. as an external advisor for its corporate value enhancement strategy and it has been considering management options based on the advice of QuestHub Co., Ltd. Additionally, since late October 2022, as part of its review of measures to improve corporate value, the Company has had discussions with multiple private equity funds (“PE funds”), including KKR, which is believed to have extensive experience with taking listed companies private, about strategies that would contribute to accelerating its business growth and improving its corporate value for future growth. Subsequently, under the new Board of Directors, which includes five newly appointed outside directors (Takao Tsuji, Hidetaka Nishina, Hikari Imai, Yuya Shimizu, and Shintaro Ishimaru) appointed at the Extraordinary Meeting of Shareholders held on December 4, 2022, the Company has

reviewed and had discussions on management issues and measures within the Corporate Value Committee and its respective WGs. Additionally, based on the belief that it is necessary to compare and consider all options for enhancing its corporate value, the Company has also considered the possibility of taking its shares private as an option to enhance its corporate value. Additionally, to consider measures for enhancing its corporate value from more diverse perspectives, the Company appointed SMBC Nikko Securities Inc. (“SMBC Nikko Securities”) as a financial advisor and third-party appraiser independent of the Offeror, the Offeror’s Parent Company, multiple PE funds including KKR, and the Company in early June 2023. The Company also appointed Mori Hamada & Matsumoto as an external legal advisor for that consideration.

Amidst those developments, on July 3, 2023, the Company received a letter from 3DIP stating that it will implement a process to solicit from potential investors measures to enhance its corporate value by taking the Company Shares private, led by 3DIP (the “3DIP Process”). The letter also mentioned that a right of first refusal concerning the capital policy related to the Company Shares owned by 3DIP would be granted to potential investors that have passed the 3DIP Process.

Under these circumstances, at the Board of Directors meeting held on July 25, 2023, the Company decided that it is important to improve the fairness and transparency of the review process when considering options to enhance its corporate value. To ensure this, the Company decided to establish a structure where only independent outside directors would conduct the review, maintaining independence from management. The Company therefore set up the Independent Directors WG, composed solely of independent outside directors, as a WG under the Corporate Value Enhancement Committee. Further, in early August 2023, although the Company had not yet concluded that taking the Company Shares private would be the best measure to enhance its corporate value, in order to more seriously consider a transaction to take the Company Shares private, based on the recognition of the need to compare and consider all possible options to enhance its corporate value, the Company implemented a process aimed at providing information on enhancing its corporate value (the “Company Information Provision Process”) by inviting multiple potential investors, offering opportunities for due diligence necessary to examine measures to enhance its corporate value, and arranging meetings with the Company’s management, including its directors.

Since late October 2022, the Company has consulted with KKR regarding its financial and business strategies, and from late October 2022 KKR has held ongoing discussions with the Company on multiple occasions regarding measures that will contribute to accelerating business growth and enhancing corporate value for future growth. In early July 2023, KKR was approached by 3DIP to participate in the 3DIP Process. In response to this, in early July of the same year, KKR began considering whether to participate in the 3DIP Process. As KKR strengthens its investment in the IT, software, and DX fields, through its discussions with the Company to date, KKR has strengthened its view that there is significant room for accelerating the Company’s business growth and increasing its corporate value for future growth by utilizing KKR’s global network. Although it is extremely unusual for 3DIP, the largest shareholder, to execute the process without the consent of the Company, in the case of a tender offer for a company with a major shareholder such as the Transaction, KKR determined that it is extremely important from the perspective of both the Offeror and the shareholders to increase the probability of executing the transaction through the conclusion of a tender agreement with the major shareholder and to disclose it appropriately, and that securing a preferential negotiation right with 3DIP regarding the capital policy of the Company Shares owned by 3DIP through the 3DIP Process has important significance for the Transaction. Therefore, as stated above, given that the purpose of the 3DIP Process is not intended to create any conflict with the Company, KKR decided to participate in the 3DIP Process after communicating with the Company’s management. Subsequently, KKR conducted an initial review based on the sales and operating income results of the Company group as a whole and by segment, the status of the Company’s assets and liabilities, and the mid-term business plan, etc., published by the Company. Although it was still at a preliminary stage prior to the conducting of due diligence based on information provided by the Company, KKR came to believe that the Company has strong competitiveness, growth potential, and high potential, based on deepening its understanding of the industry characteristics and growth potential of the domestic S1er (Note 9) market to which the Company belongs, the competitive advantage that the Company has established in the domestic S1er market, the direction of the Company’s growth strategy, and the potential for improving corporate value

and stock value, and on August 18, 2023, KKR submitted a non-legally binding proposal (“3DIP Process Proposal”) to 3DIP, and proposed the implementation of a transaction to take the Company private with a tender offer price of JPY 6,400 per Company Share. The tender offer price in the 3DIP Process Proposal includes a premium of 41.59% (figures are rounded to the nearest two decimal places; the same shall apply hereinafter in the calculation of premiums) on the closing price of the Company Shares on the TSE Prime Market on August 17, 2023 (such date being the business day immediately preceding August 18, 2023) (JPY 4,520) (figures are rounded to the nearest three decimal places; the same shall apply hereinafter in the calculation of simple average of closing prices), 37.28% on the simple average of the closing prices for the preceding one month (from July 18, 2023 to August 17, 2023) (JPY 4,662) (Note 10), 39.59% on the simple average of the closing prices for the preceding three months (from May 18, 2023 to August 17, 2023) (JPY 4,585), and 49.05% on the simple average of the closing prices for the preceding six months (from February 20, 2023 to August 17, 2023) (JPY 4,294). A premium of 150.00% was given on the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022 when the news report on the first shareholder proposal to the Company through 3DIP (the “Shareholder Proposal”) was made, which triggered a fluctuation in the Company’s stock price, a premium of 157.03% was given on the simple average of the closing prices for the preceding one month (from January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 142.15% was given on the simple average of the closing prices for the preceding three months (from November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 130.96% was given on the simple average of the closing prices for the preceding six months (from August 17, 2021 to February 16, 2022) (JPY 2,771). Subsequently, on August 31, 2023, KKR was notified that 3DIP would enter into an agreement with several candidates, including KKR, who passed the 3DIP Process, granting a preferential negotiation right regarding the capital policy of the Company Shares held by 3DIP (“3DIP Process Preferential Negotiation Right”; and such agreement between KKR and 3DIP granting the 3DIP Process Preferential Negotiation Right is referred to as the “3DIP Process Preferential Negotiation Right Agreement”) and that 3DIP has submitted to the Company’s Board of Directors non-legally binding proposals from several candidates who have been granted the 3DIP Process Preferential Negotiation Right, including KKR (“August 2023 Privatization Proposals”).

(Note 9) “SIer” is an abbreviation of a business operator responsible for system integration, and “system integration” refers to a business or service that undertakes system development and operation, etc. in response to customer requests.

(Note 10) As the Company conducted a stock split under which common shares were split into two shares per share on July 1, 2023, the stock price before June 29, 2023 is calculated using the stock price after adjusting for the stock split by dividing the stock price by 2; the same shall apply hereinafter.

On August 4, 2023, KKR was approached by the Company to participate in the Company Information Provision Process and thereafter did so, and from early August to early September of the same year, KKR conducted due diligence on the Company’s business, finance, legal affairs, etc., and management interviews with the Company’s management regarding the Company’s business strategy, and KKR proceeded with analysis and consideration regarding the acquisition of Company Shares. Based on the results of the due diligence conducted between early August and early September 2023, based on a multifaceted and comprehensive analysis of the Company’s business and financial status, and by comparing the market share prices and financial indicators showing profitability of multiple listed companies that are relatively similar to the Company in terms of business contents, business scale, earnings status, etc., on September 8, 2023, KKR submitted a non-legally binding information provision form (Company Process Information Provision Form), and based on the progress in understanding the Company’s business based on the results of due diligence, KKR proposed the implementation of a transaction to take the Company private with a tender offer price of JPY 6,800 to JPY 7,200 per Company Share, which exceeded the proposed price of JPY 6,400 in the 3DIP Process Proposal. The tender offer price in the Company Process Information Provision Form includes a premium of 52.64 to 61.62% on the closing price of the Company Shares on the TSE Prime Market on September 7, 2023 (such date being the business day immediately preceding September 8, 2023) (JPY 4,455), 50.68 to 59.54% on the simple average of the closing prices for the preceding one month (from August 8, 2023 to September 7, 2023) (JPY 4,513), 48.47 to 57.21% on the simple average of the closing prices for the preceding three months (from June 8, 2023 to September 7, 2023) (JPY 4,580), and 56.57 to

65.78% on the simple average of the closing prices for the preceding six months (from March 8, 2023 to September 7, 2023) (JPY 4,343). A premium of 165.63 to 181.25% was given on the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022 when the news report on the Shareholder Proposal was made, which triggered a fluctuation in the Company's stock price, a premium of 173.09 to 189.16% was given on the simple average of the closing prices for the preceding one month (from January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 157.28 to 172.42% was given on the simple average of the closing prices for the preceding three months (from November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 145.40 to 159.83% was given on the simple average of the closing prices for the preceding six months (from August 17, 2021 to February 16, 2022) (JPY 2,771).

Following that, 3DIP shared with the Company on September 4, 2023 non-binding proposals that were provided to 3DIP by three potential investors that have been granted the 3DIP Process Preferential Negotiation Right including KKR. Taking into account the Guidelines for Corporate Takeovers published by the Ministry of Economy, Trade and Industry on August 31, 2023 (the "Corporate Takeover Guidelines"), the Company determined that it was necessary to conduct a sincere review of those proposals while ensuring the fairness and transparency of the review process. Therefore, in a resolution of a meeting of the Board of Directors dated September 12, 2023, the Company decided to establish the Special Committee, composed solely of six independent outside directors (Chairman: Hikari Imai, Members: Tomoko Aramaki, Takao Tsuji, Hidetaka Nishina, Yuya Shimizu, and Shintaro Ishimaru), with greater authority than the abovementioned Independent Directors WG. The Special Committee was tasked with (a) comparing and reviewing the Company's corporate value enhancement measures with the corporate value enhancement measures proposed by the three potential investors in their proposals to take the Company Shares private (the "Privatization Proposals") to determine which would better secure or enhance the corporate value of the Company and the common interests of the Company's shareholders, and making recommendations or suggestions to the Board of Directors on which proposal is preferable and (b) if the Special Committee determines that the corporate value enhancement measures proposed by any of the three potential investors in the Privatization Proposals under (a) is more desirable than the corporate value enhancement measures formulated by the Company, reviewing that Privatization Proposal from the perspective of whether it would secure or enhance the corporate value of the Company and the common interests of the Company's shareholders, and making recommendations or suggestions to the Board of Directors on whether to approve that Privatization Proposal. The Board of Directors also resolved to respect the decisions of the Special Committee to the greatest extent possible when making decisions related to the above entrusted matters. In the middle of September 2023, the Special Committee appointed, as independent advisors exclusive to the Special Committee, JP Morgan Securities Japan Co., Ltd. ("JP Morgan Securities") as a financial advisor and Shiomizaka as a legal advisor. On September 15, 2023, the Special Committee recommended to the Company's Board of Directors to conduct a careful review of the proposals received from multiple potential investors via 3DIP, given that they are considered bona fide offers as defined in the Corporate Takeover Guidelines. Additionally, while the Company received information from four companies during the Company Information Provision Process, that information was solely related to corporate value enhancement strategies and does not constitute offers to purchase the Company, so that information was not reviewed by the Special Committee.

From September 2023 to April 2024, KKR continued constructive discussions with the Board of Directors of the Company, the Special Committee, and the management of the Company on business strategies that contribute to maximizing the corporate value of the Company. Given the privatization through tender offer of the four listed consolidated subsidiaries of the Company (VINX CORP., Cyber COM Co., Ltd., Cybernet Systems Co., Ltd., and FUJI SOFT SERVICE BUREAU INCORPORATED) announced by the Company on November 8, 2023, the details of the financial results for the fiscal year ended December 2023 announced on February 14, 2024, the Mid-term Business Plan 2028 announced on the same day ("Medium-Term Management Plan 2028"), and the details of the discussions to date between the Company's Board of Directors and the Special Committee, KKR submitted a non-legally binding proposal that includes the tender offer price on the assumption that the Company Shares will be privatized ("February 29

Company Process Proposal”) to the Special Committee on February 29, 2024. KKR proposed a tender offer price of JPY 7,800 to JPY 8,100 per Company Share in the February 29 Company Process Proposal. The tender offer price in the February 29 Company Process Proposal includes a premium of 22.83 to 27.56% on the closing price of the Company Shares on the TSE Prime Market on February 28, 2024 (such date being the business day immediately preceding February 29, 2024) (JPY 6,350), 23.87 to 28.63% on the simple average of the closing prices for the preceding one month (from January 29, 2024 to February 28, 2024) (JPY 6,297), 25.81 to 30.65% on the simple average of the closing prices for the preceding three months (from November 29, 2023 to February 28, 2024) (JPY 6,200), and 37.61 to 42.91% on the simple average of the closing prices for the preceding six months (from August 29, 2023 to February 28, 2024) (JPY 5,668). A premium of 62.67 to 68.93% is given on the closing price on October 2, 2023 on which certain news media made speculative reports regarding the Transaction (“Speculative Media Reports”) (JPY 4,795), a premium of 66.24 to 72.63% is given on the simple average of the closing prices for the preceding one month (from September 4, 2023 to October 2, 2023) (JPY 4,692), a premium of 69.01 to 75.51% is given on the simple average of the closing prices for the preceding three months (from July 3, 2023 to October 2, 2023) (JPY 4,615), and a premium of 75.32 to 82.06% is given on the simple average of the closing prices for the preceding six months (from April 3, 2023 to October 2, 2023) (JPY 4,449). A premium of 204.69 to 216.41% is given on the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022 when the news report on the Shareholder Proposal was made, which triggered a fluctuation in the Company’s stock price (JPY 2,560), a premium of 213.25 to 225.30% is given on the simple average of the closing prices for the preceding one month (from January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 195.12 to 206.47% is given on the simple average of the closing prices for the preceding three months (from November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 181.49 to 192.31% is given on the simple average of the closing prices for the preceding six months (from August 17, 2021 to February 16, 2022) (JPY 2,771).

Subsequently, from early April 2024 to early June 2024, KKR conducted additional analysis of the Company’s business, finance, legal affairs, etc., conducted management interviews with the Company’s management regarding its business strategy, and proceeded with considering the acquisition of Company Shares. KKR has come to believe that substantial growth of the Company is possible by forming a strategic partnership between the Company, which it believes has advanced technology, abundant human capital, and a solid customer base, and KKR, which it believes has abundant human and capital resources, experience in both the IT and real estate fields, and a global network, by privatizing the Company Shares, based on further deepening its understanding of the Medium-Term Management Plan 2028 and the Company’s medium- to long-term growth and future vision, in addition to deepening its understanding of the industry characteristics and growth potential of the domestic SIer market to which the Company belongs, the competitive advantage that the Company has established in the domestic SIer market, the direction of the Company’s medium- to long-term growth strategy, and the potential for improving corporate value and stock value. On June 14, 2024, based on a multifaceted and comprehensive analysis of the Company’s business and financial status, and upon analyzing the value of the Company Shares in comparison with the market share prices and profitability of multiple listed companies that are relatively similar to the Company in terms of business contents, business scale, earnings status, etc., KKR submitted a legally binding final proposal regarding this matter (“Final Company Process Proposal”) to the Company, including a description of the tender offer price and the First Stock Acquisition Right Purchase Price, on the basis that the Company Shares will be privatized. In the Final Company Process Proposal, KKR proposed that the tender offer price be JPY 8,800 per Company Share, that the Stock Acquisition Rights, including those for which the exercise period has not yet expired, be subject to a tender offer, and that the First Stock Acquisition Right Purchase Price be a price calculated by multiplying the difference between the tender offer price of the Company Shares (JPY 8,800) and the exercise price per Stock Acquisition Right by the number of Company Shares which are subject to a Stock Acquisition Right (Fifth Series Stock Acquisition Rights: JPY 1,067,000, Sixth Series Stock Acquisition Rights: JPY 929,600, 7th Series Stock Acquisition Rights: JPY 228,100). The tender offer price in the Final Company Process Proposal includes a premium of 30.76% on the closing price of the Company Shares on the TSE Prime Market on June 13, 2024 (such date being the business day immediately preceding June 14, 2024) (JPY 6,730), 38.15% on the simple average of the closing prices for the preceding



one month (from May 14, 2024 to June 13, 2024) (JPY 6,370), 41.55% on the simple average of the closing prices for the preceding three months (from March 14, 2024 to June 13, 2024) (JPY 6,217), and 41.16% on the simple average of the closing prices for the preceding six months (from December 14, 2023 to June 13, 2024) (JPY 6,234). A premium of 83.52% is given on the closing price on October 2, 2023 on which the Speculative Media Reports was made (JPY 4,795), a premium of 87.55% is given on the simple average of the closing prices for the preceding one month (from September 4, 2023 to October 2, 2023) (JPY 4,692), a premium of 90.68% is given on the simple average of the closing prices for the preceding three months (from July 3, 2023 to October 2, 2023) (JPY 4,615), and a premium of 97.80% is given on the simple average of the closing prices for the preceding six months (from April 3, 2023 to October 2, 2023) (JPY 4,449). A premium of 243.75% is given on the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022 when the news report on the Shareholder Proposal was made, which triggered a fluctuation in the Company's stock price, a premium of 253.41% is given on the simple average of the closing prices for the preceding one month (from January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 232.95% is given on the simple average of the closing prices for the preceding three months (from November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 217.57% is given on the simple average of the closing prices for preceding last six months (from August 17, 2021 to February 16, 2022) (JPY 2,771).

Subsequently, on July 5, 2024, KKR was notified by the Company that KKR was granted exclusive negotiation rights for the Transaction. After continuing discussions with the Company from early July to early August of the same year regarding practical measures toward the implementation of the Transaction, such as the coordination of the business and financial information of the Company necessary for obtaining clearance pertaining to permits, authorizations, licenses, approvals, consents, registrations, notifications, and other acts or procedures equivalent thereto necessary under the competition laws of Japan and Vietnam and the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949, as amended; "Foreign Exchange and Foreign Trade Act") ("Clearance"), an agreement was reached on August 7, 2024 to implement the Transaction by setting the Tender Offer Price of the Company Shares at JPY 8,800 per Company Share and setting the First Stock Acquisition Right Purchase Price at a price calculated by multiplying the difference between the First Tender Offer Price (JPY 8,800) and the exercise price per Company Share for each Stock Acquisition Right by the number of Company Shares per Stock Acquisition Right, and on the same day, the Offeror decided to implement the First Tender Offer.

In addition, in parallel with discussions with the Company, on July 8, 2024, KKR requested that 3DIP enter into a tender agreement based on the 3DIP Process Preferential Negotiation Right Agreement, after explaining the various terms and conditions of the First Tender Offer, including the First Tender Offer Price, as well as the details of discussions that KKR had with the Company regarding the enhancement of corporate value, and proposals from KKR. In response, on August 8, 2024, 3DIP agreed to tender in the First Tender Offer and entered into the 3DIP Tender Agreement with the Offeror on the same day on the basis that the Company's Board of Directors resolved to express its opinion to support the First Tender Offer, such expression of opinion has been made public, and such expression of opinion has not been changed or withdrawn (for details, please refer to "(1) 3DIP Tender Agreement" in "4. Important Agreements Relating to the Tender Offers Between the Offeror and the Company's Shareholders" in the "Notice regarding Expression of Opinion in Support of the Tender Offer for the Company Share Certificates by FK Co., Ltd. and Recommendation to Tender Shares" submitted on September 4, 2024 ("September 4, 2024 Company Press Release")). In addition, in parallel with discussions with the Company, on July 8, 2024, KKR requested that Farallon enter into a tender agreement, after explaining the various terms and conditions of the Tender Offers, including the First Tender Offer Price, as well as the details of discussions that KKR had with the Company regarding the enhancement of corporate value, and proposals from KKR. In response, August 8, 2024, Farallon agreed to tender in the First Tender Offer and entered into the Farallon Tender Agreement with the Offeror on the same day on the basis that the Company's Board of Directors resolved to express its opinion to support the First Tender Offer, such expression of opinion has been made public, and such expression of opinion has not been changed or withdrawn (for details, please refer to "(2) Farallon Tender Agreement" in "4. Important Agreements Relating to the Tender Offers Between the Offeror and the Company's Shareholders" September 4, 2024

Company Press Release). At the time of entering into the Tender Agreements, the Offeror had expected to set the minimum number of shares to be purchased at 42,142,900 shares (Ownership Ratio: 66.64%). However, on September 4, 2024, the Offeror decided to commence the Offer from September 5, 2024, with the minimum number of shares to be purchased set at 33,658,500 shares (Ownership Ratio: 53.22%), and on September 4, 2024, the Offeror obtained the agreement of each Tendering Shareholder to tender the Planned Tender Shares under each Tender Agreement regardless of any change to the minimum number of shares to be purchased.

Subsequently, on August 26, 2024, the Offeror informed the Company that that based on expectations for the necessary procedures and measures pursuant to the competition law in Vietnam (“Procedures in Response to Vietnamese Authorities”), the Offeror will commence the Tender Offer from September 5, 2024. Furthermore, on August 30, 2024, the Offeror informed the Company that (i) the procedures in response to the authorities, except for the procedures and measures under the Foreign Exchange and Foreign Trade Act (“Foreign Exchange Act Procedures”) and the Procedures in Response to Vietnamese Authorities, have been completed; (ii) in relation to condition 11 of the Conditions Precedent (Note 11), the Offeror will waive the condition of the completion of acquisition of the Clearance related to the Foreign Exchange Act Procedures and the Procedures in Response to Vietnamese Authorities; and (iii) on the premise that the Conditions Precedent are satisfied (or waived by the Offeror), the Offeror desires to commence the First Tender Offer from September 5, 2024. Then, as the Offeror confirmed that all of the Conditions Precedent (excluding the completion of acquisition of Clearance related to the Foreign Exchange Act Procedures and the Procedures in Response to Vietnamese Authorities) have been satisfied as stated in “(a) Overview of the Tender Offer” above and it determined that the First Tender Offer is ready to commence, and the Offeror waived the Conditions Precedent relating to completion of acquisition of Clearance related to the Foreign Exchange Act Procedures and the Procedures in Response to Vietnamese Authorities (condition 11), the Offeror decided on September 4, to commence the First Tender Offer from September 5, 2024. As the Offeror believes that there is no particular change in the factors considered in determining the First Tender Offer Price, even taking into account the situation from August 8, 2024, on which the Offeror Press Release dated August 8, 2024 was published, to September 4 2024, the Offeror determined that there is no need to change the First Tender Offer Price decided on August 8, 2024.

(Note 11) It was planned that the First Tender Offer would commence promptly once the following Conditions Precedent are satisfied or waived by the Offeror:

- (1) the Special Committee established by the Board of Directors has made a report containing positive opinions about the Board of Directors’ expression of opinion to support the First Tender Offer, and that report has not been changed or withdrawn;
- (2) the Board of Directors has adopted a resolution expressing its opinion in support of the First Tender Offer, and that fact has been published in accordance with laws and regulations, and such expression of the opinion has not been changed or withdrawn;
- (3) there have been no judgments or decisions by judicial or administrative authorities restricting or prohibiting the Transaction or tendering under the 3DIP Tender Agreement or the Farallon Tender Agreement, and there are no specific risks of the foregoing;
- (4) (I) the Company and its subsidiaries have not determined matters set forth in Article 14, paragraph (1), item (i), (a) through (j) as well as (m) through (s) of the Order, (II) matters set forth in Article 14, paragraph (1), item (iii), (a) through (h) as well as Article 14, paragraph (1), item (iv) of the Order have not occurred at the Company, (III) matters set forth in Article 14, paragraph (1), item (iii), (a) through (g) of the Order have not occurred at the Company’s important subsidiaries, (IV) matters set forth in Article 14, paragraph (1), items (iii) through (iv) of the Order have not occurred at the Company, and (V) there have been no situations in which it was discovered that any of the statutory disclosure documents submitted by the Company in the past contained a false statement regarding a material matter or omitted a material matter that should have been included, where the Offeror is unaware of the false statement or omission and could

not become aware of the same despite having used a reasonable degree of care (however, in any of (I) through (IV), excluding those described as minor in Article 26 of the Cabinet Office Order);

(5) no event has occurred that could have a material adverse effect on the business, financial condition, management situation, assets, liabilities, cash flow or future prospects of the Company group, or on relevant economic or market conditions, and no other events have occurred in the Tender Offer Group that are reasonably considered by the Offeror to have a material impact on the Offeror decision to commence the First Tender Offer;

(6) obligations to be performed or complied with by 3DIP by the commencement date of the First Tender Offer under the 3DIP Tender Agreement have been performed or complied with in all material respects;

(7) all of the representations and warranties of 3DIP set forth in the 3DIP Tender Agreement are true and accurate in material respects;

(8) obligations to be performed or complied with by Farallon by the commencement date of the First Tender Offer under the Farallon Tender Agreement have been performed or complied with in all material respects;

(9) all of the representations and warranties of Farallon set forth in the Farallon Tender Agreement are true and accurate in material respects;

(10) confirmation has been obtained from the Company that there are no material facts (those set forth in Article 166, paragraph (2) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the “Act”) concerning the business or other particulars related to the Company that have not been disclosed (having the meaning set forth in Article 166, paragraph (4) of the Act) by the Company; and

(11) acquisition of the Clearance has been completed.

Furthermore, on August 26, 2024, the Offeror informed the Company that in light of the fact that the statutory waiting period under the Foreign Exchange and Foreign Trade Act had been shortened, and there was a possibility that approval for the acquisition of the Company Shares through the Tender Offers (“Share Acquisition”) could be obtained during the First Tender Offer Period, and in light of the fact that the period until notification was accepted by the Vietnam National Competition Commission and the initial 30-day review period could be shortened, there was a possibility that approval for the Share Acquisition could be obtained during the First Tender Offer Period, and thus the First Tender Offer Period was set at 20 business days, the statutory minimum. Subsequently, the Offeror received a communication from the Company on September 4, 2024, that, on the assumption that the First Tender Offer Period will be 30 business days or more, at the board of directors meeting held on September 4, 2024, the Company resolved to express its support for the First Tender Offer again and to recommend its shareholders and Stock Acquisition Rights Holders to tender their Company Securities in the First Tender Offer, and that in the event the First Tender Offer Period is not set at 30 business days or more, to make a request for an extension of the purchase period as provided for in Article 27-10, Paragraph 2, Item 2 of the Act. As a result, the Offeror decided to set the First Tender Offer Period at 30 business days.

Subsequently, following the publication by the Company of its opinion regarding the First Tender Offer on October 18, 2024, as the Offeror was required to submit an amendment statement to the Tender Offer Registration Statement, the Tender Offer Period has been extended to November 5, 2024 in accordance with laws and regulations, which is 10 business days following October 21, 2024, the date of submission of the amendment statement to the Tender Offer Registration Statement concerning such amendment.

On September 3, 2024, the Bain Capital Press Release Dated September 3, 2024 was published. As described in the Company Press Release Dated September 4, 2024, from the viewpoint of not arbitrarily eliminating the possibility of counterproposals being realized, the Company decided on September 4, 2024 to continue granting Bain Capital the opportunity to conduct due diligence during the First Tender Offer Period, and that if a legally binding proposal is made by Bain Capital, the Company and the Special Committee plan to carefully and sincerely consider it. However, the Bain

Capital Press Release Dated September 3, 2024 states Bain Capital may make a legally binding proposal to take the Company private, subject to certain conditions precedent, including (i) the cooperation reasonably required from the Company is obtained in a timely manner, (ii) the necessary institutional decisions are made at Bain Capital, (iii) good faith discussions are entered into with the management of the Company through an appropriate process and the management of the Company and Bain Capital reach a consensus as to management policy for after the delisting of the Company Shares, (iv) it being confirmed in future due diligence that there have been no changes to the Company Group's business, financial situation, management situation, assets, liabilities, cash flows, or future prospects from the content verified in the Information Provision Process, and (v) preparation having been made for receipt of commitment letters for certain funds-based financing from major domestic financial institutions. However, it was unclear as to (a) whether Bain Capital will make a legally binding proposal, and if so, when, (b) what time frame the Company will use to consider the legally binding proposal if one is made, (c) whether the Company will change its opinion regarding the First Tender Offer (a resolution of the board of directors of the Company expressing an opinion in favor of the Offeror and recommending the shareholders and Stock Acquisition Rights Holders tender in the First Tender Offer) as a result of such consideration, and (d) the reliability of the schedule set out in the Bain Capital Press Release (the plan for Bain Capital to submit a legally binding proposal and announce the scheduled commencement of a tender offer by Bain Capital in October 2024, and the conducting of a tender offer in November 2024 by Bain Capital). In this regard, the Guidelines for Corporate Takeovers – Enhancing Corporate Value and Securing Shareholder's Interests established by the Ministry of Economy, Trade and Industry on August 31, 2023 state that from the perspective of ensuring that shareholders are provided with the necessary information when making decisions about acquisitions and are not prevented from making rational decisions, it is not advisable for an acquiring party to “announce advance notice of a planned tender offer without a reasonable basis for actually commencing the tender offer, such as by lacking the financial resources required for the acquisition”. However, since the publication of the Bain Capital Press Release Dated September 3, 2024, the market price of the Company Shares has risen sharply, and the Offeror believed that there are concerns that the Company shareholders and Stock Acquisition Rights Holders are being prevented from making rational decisions.

In addition, according to the Company Press Release Dated September 4, 2024, as of September 3, 2024, the Tender Agreements entered into by the Offeror remain valid, and that given the high likelihood of the Tendering Shareholders tendering in the First Tender Offer by the Offeror was one of the reasons why the Special Committee determined that there was no change in its assessment that the Transaction by the Offeror is superior to the proposal by Bain Capital in terms of feasibility, the Offeror believed that whether or not 3DIP and Farallon would tender in the First Tender Offer in accordance with the Tender Agreements is important information for the Company shareholders and Stock Acquisition Rights Holders in making a rational decision as to the feasibility of the Transaction by the Offeror and Bain Capital's proposal. However, in the Bain Capital Press Release Dated September 3, 2024, it was speculated, without providing any concrete evidence, that if the Company changed its opinion on the First Tender Offer, 3DIP will be released from its obligations under the 3DIP Tender Agreement and will be able to tender in a tender offer by Bain Capital. Therefore, the Offeror believed that there were specific concerns that actions may be taken by the Company shareholders and Stock Acquisition Rights Holders under the assumption that there was a possibility the Tendering Shareholders may not tender in the First Tender Offer, and that the making of rational decisions may be hindered.

Therefore, so that all of the Company Shares and the Stock Acquisition rights that Prospective Selling Shareholders, including each Tendering Shareholder, and Prospective Selling Stock Acquisition Rights Holders wish to sell can be acquired by the Offeror on the commencement date of settlement of the First Tender Offer (November 12, 2024), on September 19, 2024, the Offeror decided to remove the minimum number of shares to be purchased in the First Tender Offer (“Removal of the Minimum Tender Condition”). Furthermore, the Offeror decided that in addition to the Removal of the Minimum Tender Condition, so that the shareholders of the Company and Stock Acquisition Rights Holders who wish to assess whether Bain Capital will make a legally binding proposal in October 2024 and announce a planned tender offer as described in the Bain Capital Press Release Dated September 3, 2024, and the details thereof, will have a certain opportunity secured to sell the Company Shares at the same price as that of the First Tender Offer Price, and the Stock

Acquisition rights at the difference between the First Tender Offer Price and the exercise price per Company Share even in the case that Bain Capital has not announced a planned tender offer, it would commence the Second Tender Offer (together with the Removal of the Minimum Tender Condition, the “Scheme Change”) as soon as practicably possible after the First Tender Offer is completed and settlement is completed. Prior to deciding on the Scheme Change, the Offeror explained the details of the Scheme Change to each Tendering Shareholder, and when confirming their intention to tender the Planned Tender Shares regardless of the Removal of the Minimum Tender Condition, each Tendering Shareholder expressed their intention to the Offeror to tender their respective Planned Tender Shares. In addition, as of September 19, 2024, the Offeror had confirmed that each of the Tendering Shareholders had already tendered their respective Planned Tender Shares pursuant to their respective Tender Agreements, and such tender would not be withdrawn without the consent of the Offeror. Subsequently, such tender was not withdrawn, and the Offeror acquired the Planned Tender Shares as of commencement date of settlement of the First Tender Offer (November 12, 2024)..

The Offeror decided on September 19, 2024 that if the First Tender Offer was completed, provided that no event has occurred that falls under the conditions for withdrawal of the First Tender Offer (for details, please refer to “(2) Existence and Description of Conditions for Withdrawal of Tender Offer, and Method of Disclosure of Withdrawal” of “11. Other Conditions and Methods of Purchase” under “Section 1. Overview of Tender Offer” of the First Tender Offer Registration Statement), the Offeror would, to the extent practicable after settlement, conduct the Second Tender Offer with the aim of acquiring all of the Company Shares and Stock Acquisition Rights other than those acquired through the First Tender Offer (which includes Restricted Shares and Company Shares delivered upon exercise of the Stock Acquisition Rights but excludes treasury shares owned by the Company), and if the Offeror acquired 33,658,500 or more Company Shares (Ownership Ratio: 53.40%) in the First Tender Offer, the Second Tender Offer would not be conducted. However, as the number of First Tender Offer Tendered Shares was 22,131,902 shares (Ownership Ratio: 35.11%), which is less than 33,658,500 shares, the Offeror decided to conduct the Second Tender Offer. In light of the fact that Company’s share price has continued to trade above the First Tender Offer Price (8,800 yen), so as to increase the likelihood of the swift privatization of the Company, on November 15, 2024, the Offeror decided on the Price Increase. Upon informing the Company of the same, the Company stated that at its board of directors meeting held on November 15, 2024, the Company resolved to express its opinion in opposition to Bain Capital’s tender offer, and to express its opinion in support for the Second Tender Offer, and to recommend that the Company shareholders and Stock Acquisition Right Holders tender their Company Securities in the in the Second Tender Offer. Therefore, on November 15, 2024, the Offeror decided to commence the Second Tender Offer as soon as practicable once the disclosure documentation is prepared, which is expected to be mid-week during the week of November 18, 2024. Subsequently, as the disclosure documentation was prepared, on November 19, 2024, the Offeror decided to commence the Second Tender Offer from November 20, 2024.

(iii) Matters Relating to the Second Tender Offer

(a) Reasons for Conducting a Two-Step Tender Offer

In the initial Tender Offer Registration Statement for the First Tender Offer, the Offeror set the minimum number of shares to be purchased in the First Tender Offer at 33,658,500 (Ownership Ratio: 53.40%). As described in “(a) Overview of the Tender Offers” in “(2) Grounds and Reasons for Opinion” above, on September 3, 2024, Bain Capital issued the Bain Capital Press Release Dated September 3, 2024. According to the Company Press Release Dated September 4, 2024, from the viewpoint of not arbitrarily eliminating the possibility of counterproposals being realized, the Company decided on September 4, 2024 to continue granting Bain Capital the opportunity to conduct due diligence during the First Tender Offer Period, and that if a legally binding proposal is made by Bain Capital, the Company and the Special Committee planned to carefully and sincerely consider it. However, the Bain Capital Press Release Dated September 3, 2024 states Bain Capital may make a legally binding proposal to take the Company private, subject to certain conditions precedent, including (i) the cooperation reasonably required from the Company is obtained in a timely manner, (ii) the necessary institutional decisions are made at Bain Capital, (iii) good faith discussions are entered into with the management of the

Company through an appropriate process and the management of the Company and Bain Capital reach a consensus as to management policy for after the delisting of the Company Shares, (iv) it being confirmed in future due diligence that there have been no changes to the Company Group's business, financial situation, management situation, assets, liabilities, cash flows, or future prospects from the content verified in the Information Provision Process, and (v) preparation having been made for receipt of commitment letters for certain funds-based financing from major domestic financial institutions. However, it was unclear as to (a) whether Bain Capital will make a legally binding proposal, and if so, when, (b) what time frame the Company will use to consider the legally binding proposal if one is made, (c) whether the Company will change its opinion regarding the First Tender Offer (a resolution of the board of directors of the Company expressing an opinion in favor of the Offeror and recommending the shareholders and Stock Acquisition Rights Holders tender in the First Tender Offer) as a result of such consideration, and (d) the reliability of the schedule set out in the Bain Capital Press Release Dated September 3, 2024 (the plan for Bain Capital to submit a legally binding proposal and announce the scheduled commencement of a tender offer by Bain Capital in October 2024, and the conducting of a tender offer in November 2024 by Bain Capital). In this regard, the Guidelines for Corporate Takeovers – Enhancing Corporate Value and Securing Shareholder's Interests established by the Ministry of Economy, Trade and Industry on August 31, 2023 state that from the perspective of ensuring that shareholders are provided with the necessary information when making decisions about acquisitions and are not prevented from making rational decisions, it is not advisable for an acquiring party to "announce advance notice of a planned tender offer without a reasonable basis for actually commencing the tender offer, such as by lacking the financial resources required for the acquisition". However, since the publication of the Bain Capital Press Release Dated September 3, 2024, the market price of the Company Shares has risen sharply, and the Offeror believes that there are concerns that the Company shareholders and Stock Acquisition Rights Holders are being prevented from making rational decisions.

In addition, according to the Company Press Release Dated September 4, 2024, as of September 3, 2024, the Tender Agreements entered into by the Offeror remained valid, and that given the high likelihood of the Tendering Shareholders tendering in the Tender Offer by the Offeror was one of the reasons why the Special Committee determined that there was no change in its assessment that the Transaction by the Offeror is superior to the proposal by Bain Capital in terms of feasibility, the Offeror believed that whether or not 3DIP and Farallon will tender in the First Tender Offer in accordance with the Tender Agreements is important information for the Company shareholders and Stock Acquisition Rights Holders in making a rational decision as to the feasibility of the Transaction by the Offeror and Bain Capital's proposal. However, in the Bain Capital Press Release Dated September 3, 2024, it is speculated, without providing any concrete evidence, that if the Company changes its opinion on the first Tender Offer, 3DIP will be released from its obligations under the 3DIP Tender Agreement and will be able to tender in a tender offer by Bain Capital. Therefore, the Offeror believed that there are specific concerns that actions may be taken by the Company shareholders and Stock Acquisition Rights Holders under the assumption that there is a possibility the Tendering Shareholders may not tender in the First Tender Offer, and that the making of rational decisions may be hindered.

Therefore, so that all of the Company Shares and the Stock Acquisition Rights that Prospective Selling Shareholders, including each Tendering Shareholder, and Prospective Selling Stock Acquisition Rights Holders wish to sell can be acquired by the Offeror on the commencement date of settlement of the First Tender Offer (November 12, 2024), on September 19, 2024, the Offeror decided on the Removal of the Minimum Tender Condition. Furthermore, the Offeror decided that in addition to the Removal of the Minimum Tender Condition, so that the shareholders of the Company and Stock Acquisition Rights Holders who wish to assess whether Bain Capital will make a legally binding proposal in October 2024 and announce a planned tender offer as described in the Bain Capital Press Release Dated September 3, 2024, and the details thereof, will have a certain opportunity secured to sell the Company Shares at the same price as that of the Tender Offer Price, and the Stock Acquisition Rights at the difference between the Tender Offer Price and the exercise price per Company Share even in the case that Bain Capital has not announced a planned tender offer, it would commence the Second Tender Offer as soon as practicably possible after the First Tender Offer is completed and settlement is completed. Subsequently, settlement of the First Tender Offer was completed on November 12, 2024, and as

of today, the Offeror has acquired 22,131,902 Company Securities (Ownership Ratio: 35.11%). However, as the number of First Tender Offer Tendered Shares was 22,131,902 shares (Ownership Ratio: 35.11%), which is less than 33,658,500 shares (Ownership Ratio: 53.40%), the Offeror decided to conduct the Second Tender Offer. If a tender offer is commenced by Bain Capital, the Offeror does not plan to tender its Company Shares in such tender offer. Furthermore, prior to deciding on the Scheme Change, the Offeror explained the details of the Scheme Change to each Tendering Shareholder, and when confirming their intention to tender the Planned Tender Shares regardless of the Removal of the Minimum Tender Condition, each Tendering Shareholder expressed their intention to the Offeror to tender their respective Planned Tender Shares. In addition, as of September 19, 2024, the Offeror has confirmed that each of the Tendering Shareholders has already tendered their respective Planned Tender Shares pursuant to their respective Tender Agreements, and such tender will not be withdrawn without the consent of the Offeror. Subsequently, such tender was not withdrawn, and the Offeror acquired the Planned Tender Shares as of commencement date of settlement of the First Tender Offer (November 12, 2024).

(b) Determination of the Second Tender Offer Price

As described in “(ii) Discussions Between the Offeror, the Company and 3DIP and the Offeror’s Decision-Making Process, Etc.” in “(b) Background, Purpose, and Decision-Making Process Leading to the Offeror’s Decision to Conduct the Tender Offer and Management Policy Following the Tender Offer” in “(2) Grounds and Reasons for Opinion” above, as the Second Tender Offer secures a certain opportunity for the shareholders of the Company and Stock Acquisition Rights Holders who wish to assess whether Bain Capital will make a legally binding proposal in October 2024 and announce a planned tender offer as described in the Bain Capital Press Release Dated September 3, 2024, and the details thereof, to sell the Company Shares at the same price as that of the First Tender Offer Price, and the Stock Acquisition Rights at the difference between the First Tender Offer Price and the exercise price per Company Share even in the case that Bain Capital has not announced a planned tender offer, the Offeror planned to set the Second Tender Offer Price at 8,800 yen. However, in light of the fact that Company’s share price has continued to trade above the First Tender Offer Price (8,800 yen), so as to increase the likelihood of the swift privatization of the Company, on November 15, 2024, the Offeror decided on the Price Increase, and the Second Tender Offer Price was set at 9,451 yen.

(iv) Management Policy Following the Tender Offers

After the Transaction, KKR, together with the officers and employees of the Company, will pursue the further growth of the Company’s business and corporate value through the promotion of both organic (i.e., a method using existing management resources) and inorganic (i.e., via an alliance with another company, acquisition of another company, or other means) growth strategies, by utilizing the solid business foundation that the Company has been building, the global human and capital resources of KKR, and KKR’s know-how and network. KKR believes that the enhancement of profitability and improvement of capital efficiency set forth in the Company’s Medium-Term Management Plan 2028 will contribute to the enhancement of the Company’s corporate value, and as part of the enhancement of profitability and improvement of capital efficiency, KKR is considering the securitization of real estate held by the Company and implementing measures to improve sales growth and profitability after the completion of the Transaction.

The Offeror currently intends to appoint one or more candidate(s) designated by KKR as the Company’s director(s) after the completion of the Transaction in order to improve management efficiency. The number of candidates, timing, designation of candidate(s) and other details of such appointment have not been decided as of yet. In addition, at this time the Offeror has no specific plans or preferences regarding the management structure or composition of the Board of Directors after the completion of the Transaction.

The Offeror plans to introduce incentive plans, such as stock options, to the officers and employees of the Company, and to establish a system in which KKR and the officers and employees of the Company will work together to enhance the long-term corporate value of the Company. The details of such incentive plans and the timing of their introduction have not been decided.

(c) Process and Reasons for the Decision-Making of the Company

(i) Background of Establishment of Examination Framework

As stated in “(ii) Discussions Between the Offeror, the Company and 3DIP and the Offeror’s Decision-Making Process, Etc.” in “(b) Background, Purpose, and Decision-Making Process Leading to the Offeror’s Decision to Conduct the Tender Offers and Management Policy Following the Tender Offers” above, in early August 2023, although the Company had not concluded that taking the Company Shares private was the best measure to enhance its corporate value, in order to more seriously consider a transaction to take the Company Shares private, based on the recognition of the need to compare and consider all possible options to enhance its corporate value, it carried out the Company Information Provision Process with the aim of providing information related to enhancing its corporate value to multiple potential investors it had invited and it provided those potential investors with the opportunity to conduct due diligence necessary for examining measures to enhance its corporate value and arranged meetings with its directors and management. Specifically, the Company provided certain information to multiple PE funds with extensive experience both domestically and internationally, including KKR, and requested information on their proposed measures to enhance the corporate value of the Company. The Company then received information from each PE fund regarding its measures to enhance the corporate value of the Company.

Additionally, in late August 2023, at the request of 3DIP, a shareholder of the Company, the Company received August 2023 Privatization Proposals from multiple PE funds, including KKR, regarding taking the Company Shares private. Even though those proposals were not solicited by the Company, the Company determined that it was necessary to sincerely consider those proposals while ensuring fairness and transparency in the review process in light of the Corporate Takeover Guidelines. Therefore, in the resolution of the meeting of the Board of Directors dated September 12, 2023, the Company decided to establish the Special Committee, composed of six independent outside directors (Hikari Imai, Tomoko Aramaki, Takao Tsuji, Hidetaka Nishina, Yuya Shimizu, and Shintaro Ishimaru), with greater authority than the aforementioned Independent Directors WG.

The matters entrusted to the Special Committee (the “Entrusted Matters”) are as set out below, and the Board of Directors of the Company has resolved to make decisions regarding those matters with the utmost respect for the judgement of the Special Committee regarding the following entrusted matters (for details of the authority of the Special Committee, see “(d) Establishment of an Independent Special Committee by the Company and Obtaining a Report from the Special Committee” in “(6) Measures to Ensure Fairness in the Tender Offers such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” below).

- (a) Compare and review the Company’s corporate value enhancement measures with the corporate value enhancement measures proposed by the acquirers in their proposals to take the Company Shares private (in this Entrusted Matter, the “Privatization Proposals”) from the perspective of whether they would secure or enhance the corporate value of the Company and the common interests of the Company’s shareholders, and make recommendations or suggestions to the Board of Directors on which proposal is preferable
- (b) If the Special Committee determines that the corporate value enhancement measures proposed by an acquirer in the Privatization Proposals under (a) is more desirable than the corporate value enhancement measures formulated by the Company, review that Privatization Proposal from the perspective of whether it would secure or enhance the corporate value of the Company and the common interests of the Company’s shareholders, and make recommendations or suggestions to the Board of Directors on whether to approve that Privatization Proposal

Based on the above, in the middle of September 2023, the Special Committee appointed, as independent advisors exclusive to the Special Committee, JP Morgan Securities as the financial advisor and Shiomizaka as a legal advisor. Following that, on September 15, 2023, the Special Committee recommended to the Board of Directors of the Company



that the proposals received from the PE funds regarding taking the Company Shares private be considered bona fide offers under the Corporate Takeover Guidelines and be given sincere consideration. Under the above structure, the Company proceeded with formulating a new medium-term management plan from the middle of September 2023 to late February 2024 with the aim of maximizing its corporate value as a listed company. That plan incorporated various measures reviewed by the Corporate Value Committee. At the same time, taking into consideration discussions within the Special Committee and advice from the Company's advisors, the Company compared the corporate value enhancement measures proposed by the PE funds for taking the Company private with the corporate value enhancement measures expected to be realized through the new medium-term management plan as a listed company. Through that process, the Company identified and evaluated options to maximize its corporate value. During that process, the Company's executives conducted Q&A sessions with each PE fund regarding their management policies and business strategies after the Company is taken private. The Company also provided certain information to some of the PE funds and engaged in discussions based on the results of those exchanges of information. Through those review processes, the Company deepened its understanding of each proposal and refined its evaluation of the proposals.

Additionally, based on the February 29 Company Process Proposal, the Special Committee submitted a written opinion to the Board of Directors of the Company on April 9, 2024. That opinion stated that the proposal to take the Company private is a plan worth actively considering for the Company as it has the advantage of being able to address and mitigate the issues and concerns faced by the Company if the Company continues to be listed. The Special Committee requested that the privatization be carefully considered as an excellent option. Following that, the Company conducted interviews with three PE funds, including KKR, that have submitted proposals. They reviewed the proposals for taking the Company private while considering future business strategies.

Subsequently, from early to late June 2024, the Company received legally binding letters of intent from two PE funds, including KKR, and a non-binding letter of intent from one PE fund. After carefully considering those letters of intent, in light of the contents of the written opinion submitted by the Special Committee to the Board of Directors on June 28, 2024 (the "June 28 Opinion"), the Company concluded in the middle of July 2024 that the most crucial issue for advancing the Company's management is to restructure the shareholder composition. The Company concluded that the best means to achieve this is to accept the PE funds' proposals and it decided to proceed with discussions with KKR, which offered the highest proposed price among the proposals. Based on those considerations, the Company concluded that KKR is the optimal potential partner to promote the medium- to long-term enhancement of the Company's corporate value, including taking the Company private. On July 5, 2024, following a request from the Offeror to discuss the Transactions, the Company decided to proceed with discussions with KKR to execute the Transactions.

(ii) Background of Examinations and Negotiations

Since establishing the above examination framework, the Company has engaged in multiple discussions and negotiations with KKR, based on the negotiation policies and the opinions, instructions, and requests on important matters provided in advance by the Special Committee. The Company received a report from SMBC Nikko Securities regarding an analysis of the fair value of the Company's shares, advice on negotiation policies with the Offeror, and other financial advice. Mori Hamada & Matsumoto also provided advice on measures to ensure the fairness of the procedures in the Transactions and other legal advice. Based on that advice, the Company had numerous discussions and evaluations with KKR. Specifically, on September 4, 2023, the Company received from 3DIP non-binding written proposals that were submitted to 3DIP from three potential investors that were granted the 3DIP Process Preferential Negotiation Right including KKR. Among those, the 3DIP Process Proposal submitted by KKR set the tender offer price at JPY 6,400 per share of the Company Shares. The tender offer price in the 3DIP Process Proposal represents a premium of 41.59% over the closing price of the Company Shares on the Prime Market of the TSE on August 17, 2023, which is the business day immediately preceding August 18, 2023, when KKR submitted the 3DIP Process Proposal to 3DIP, (JPY 4,520), a premium of 37.28% over the simple average closing price for the most recent one month (July 18, 2023 to August 17, 2023) (JPY 4,662), a premium of 39.59% over the simple average closing price for the most recent three months (May 18,

2023 to August 17, 2023) (JPY 4,585), and a premium of 49.05% over the simple average closing price for the most recent six months (February 20, 2023 to August 17, 2023) (JPY 4,294). That price also represents a premium of 150.00% over the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022, which is the date on which the Shareholder Proposal was reported, which triggered a fluctuation in the Company's share price, and a premium of 157.03% over the simple average closing price for the most recent one month (January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 142.15% over the simple average closing price for the most recent three months (November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 130.96% over the simple average closing price for the most recent six months (August 17, 2021 to February 16, 2022) (JPY 2,771). As described in "(i) Background of Establishment of Examination Framework" above, the Company determined that it was necessary to sincerely consider the written proposals from the three potential investors that were granted 3DIP Process Preferential Negotiation Right, including the 3DIP Process Proposal submitted by KKR, while ensuring fairness and transparency in the examination process in light of the Corporate Takeover Guidelines. Consequently, in the resolution of the meeting of the Board of Directors dated September 12, 2023, the Company decided to establish the Special Committee and entrusted to the Special Committee the review of the entrusted matters set out in "(i) Background of Establishment of Examination Framework" in "(c) Process and Reasons for the Decision-Making of the Company" in "(2) Grounds and Reasons for Opinion" above. On September 15, 2023, the Special Committee also recommended that the Board of Directors of the Company give sincere consideration to the above proposal, stating that it constituted a bona fide offer under the Corporate Takeover Guidelines. The Company examined the written proposals from the three potential investors that were granted the 3DIP Process Preferential Negotiation Right, including the 3DIP Process Proposal submitted by KKR, from the perspective of whether they will enhance the Company's corporate value and promote the interests of the shareholders, as well as the feasibility of the proposals, and from early October to early November 2023, the Company had discussions with the potential investors as necessary, including questions and answers sessions, to review the contents of each proposal. On the other hand, as the Company had not concluded at that time that a transaction to take the Company Shares private would be the best measure to enhance its corporate value, the Company decided to continue comparing and evaluating options to enhance its corporate value, including taking the Company Shares private, based on the evaluation of the various proposals through the review process.

Additionally, on August 4, 2023, the Company invited four companies including KKR to participate in the Company Information Provision Process and granted four companies including KKR, which accepted that invitation, the opportunity to conduct due diligence from early August to early September 2023. Following that, on September 8, 2023, the Company received information from four companies, including KKR, that participated in the Company Information Provision Process. Of those, the Company received from KKR information on a privatization transaction with a tender offer price of JPY 6,800–7,200 per share of the Company Shares. The tender offer price in the Company Process Information Provision Form represents a premium of 52.64–61.62% over the closing price of the Company Shares on the Prime Market of the TSE on September 7, 2023, which is the business day immediately preceding September 8, 2023 (JPY 4,455), a premium of 50.68–59.54% over the simple average closing price for the most recent one month (August 8, 2023 to September 7, 2023) (JPY 4,513), a premium of 48.47–57.21% over the simple average closing price for the most recent three months (June 8, 2023 to September 7, 2023) (JPY 4,580), and a premium of 56.57–65.78% over the simple average closing price for the most recent six months (March 8, 2023 to September 7, 2023) (JPY 4,343). That price also represents a premium of 165.63–181.25% over the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022, which is the date on which the Shareholder Proposal was reported, which triggered a fluctuation in the Company's share price and a premium of 173.09–189.16% over the simple average closing price for the most recent one month (January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 157.28–172.42% over the simple average closing price for the most recent three months (November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 145.40–159.83% over the simple average closing price for the most recent six months (August 17, 2021 to February 16, 2022) (JPY 2,771). Following that, the Company received from KKR the February 29 Company Process Proposal, which was addressed to the Special Committee and proposed a tender offer price of JPY 7,800–8,100 per share of the Company Shares. The tender offer price in the February 29 Company Process

Proposal represents (a) a premium of 22.83–27.56% over the closing price of the Company Shares on the Prime Market of the TSE on February 28, 2024, which is the business day immediately preceding February 29, 2024 (JPY 6,350), a premium of 23.87–28.63% over the simple average closing price for the most recent one month (January 29, 2024 to February 28, 2024) (JPY 6,297), a premium of 25.81–30.65% over the simple average closing price for the most recent three months (November 29, 2023 to February 28, 2024) (JPY 6,200), and a premium of 37.61–42.91% over the simple average closing price for the most recent six months (August 29, 2023 to February 28, 2024) (JPY 5,668), (b) a premium of 62.67–68.93% over the closing price on October 2, 2023 (JPY 4,795), which is the date on which the Speculative Media Reports were made, and a premium of 66.24–72.63% over the simple average closing price for the most recent one month (September 4, 2023 to October 2, 2023) (JPY 4,692), a premium of 69.01–75.51% over the simple average closing price for the most recent three months (July 3, 2023 to October 2, 2023) (JPY 4,615), and a premium of 75.32–82.06% over the simple average closing price for the most recent six months (April 3, 2023 to October 2, 2023) (JPY 4,449), and (c) a premium of 204.69–216.41% over the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022, which is the date on which the Shareholder Proposal was reported, which triggered a fluctuation in the Company's share price, and a premium of 213.25–225.30% over the simple average closing price for the most recent one month (January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 195.12–206.47% over the simple average closing price for the most recent three months (November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 181.49–192.31% over the simple average closing price for the most recent six months (August 17, 2021 to February 16, 2022) (JPY 2,771).

It should be noted that the initial information provided by the four companies in the Company Information Provision Process was solely related to strategies for enhancing the corporate value of the Company and did not constitute offers to acquire the Company. Therefore, those were not considered acquisition offers by the Company and the Special Committee.

Following that, from early to late June 2024, the Company received binding letters of intent from two PE funds, including KKR, and a non-binding letter of intent from one PE fund. The Company continued to review the proposals received in the 3DIP Process from the three potential investors granted 3DIP Process Preferential Negotiation Right, including 3DIP Process Proposal. However, aside from KKR and another potential investor, the rest one potential investor lacked experience in taking companies of a similar market capitalization to the Company private. Moreover, its proposed price was not more favorable than the other two proposals, including that of KKR. As a result, the Company decided to focus its review on the proposals from the two companies, including KKR. While conducting that review, the Company received the above-mentioned letters of intent from the two companies, including KKR, that had also participated in the Company Information Provision Process, so the Company decided to discontinue its review of the 3DIP Process Proposal and instead focus on examining the contents of the letters of intent received from the three companies. Of those, the Company received from KKR on June 14, 2024 the Final Company Process Proposal, which includes statements on conditions such as the tender offer price and the purchase price of the Stock Acquisition Rights conditioned on the Company Shares being taken private, which specifically proposed a tender offer price of JPY 8,800 per share of the Company Shares. KKR also included all Stock Acquisition Rights, including those whose exercise periods had not yet commenced, in the tender offer. KKR proposed that the purchase price of the Stock Acquisition Rights be the amount obtained by multiplying the difference between the tender offer price per share of the Company Shares (JPY 8,800) and the exercise price per Stock Acquisition Right by the number of the Company Shares underlying each Stock Acquisition Right. The proposed Stock Acquisition Right Purchase Prices were JPY 1,067,000 for the Fifth Series Stock Acquisition Rights, JPY 929,600 for the Sixth Series Stock Acquisition Rights, and JPY 228,100 for the Seventh Series Stock Acquisition Rights. The tender offer price in the Final Company Process Proposal represents (a) a premium of 30.76% over the closing price of the Company Shares on the Prime Market of the TSE on June 13, 2024, which is the business day immediately preceding June 14, 2024 (JPY 6,730), a premium of 38.15% over the simple average closing price for the most recent one month (May 14, 2024 to June 13, 2024) (JPY 6,370), a premium of 41.55% over the simple average closing price for the most recent three months (March 14, 2024 to June 13, 2024) (JPY 6,217),

and a premium of 41.16% over the simple average closing price for the most recent six months (December 14, 2023 to June 13, 2024) (JPY 6,234), (b) a premium of 83.52% over the closing price on October 2, 2023 (JPY 4,795), which is the date on which the Speculative Media Reports were made, and a premium of 87.55% over the simple average closing price for the most recent one month (September 4, 2023 to October 2, 2023) (JPY 4,692), a premium of 90.68% over the simple average closing price for the most recent three months (July 3, 2023 to October 2, 2023) (JPY 4,615), and a premium of 97.80% over the simple average closing price for the most recent six months (April 3, 2023 to October 2, 2023) (JPY 4,449), and (c) a premium of 243.75% over the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022, which is the date on which the Shareholder Proposal was reported, which triggered a fluctuation in the Company's share price, and a premium of 253.41% over the simple average closing price for the most recent one month (January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 232.95% over the simple average closing price for the most recent three months (November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 217.57% over the simple average closing price for the most recent six months (August 17, 2021 to February 16, 2022) (JPY 2,771). Following that, in light of the contents of the June 28 Opinion and the acquisition proposal submitted in the 3DIP Process Proposal, after carefully considering the letter of intent it received, the Company concluded in the middle of July 2024 that the most crucial issue for advancing the Company's management is to restructure the shareholder composition. The Company concluded that accepting proposals from the PE funds was the best means to achieve this and it decided to proceed with discussions with KKR, which was the PE fund that offered the highest price. Based on these considerations, while further discussions with KKR are necessary, including following privatization, regarding the implementation of specific measures to realize synergies and reduce dis-synergies if the Company becomes a wholly-owned subsidiary of the Offeror, the Company concluded that KKR is the optimal partner to promote the medium- to long-term enhancement of the Company's corporate value, including taking the Company private. On July 5, 2024, following a request from the Offeror to discuss the Transactions, the Company decided to proceed with discussions with KKR to execute the Transactions.

Following that, on July 5, 2024, the Company decided to grant KKR a right of first refusal for the Transactions. After the Board of Directors of the Company and the Special Committee had continuous discussions with KKR aimed at executing the Transactions, the Company reached an agreement with KKR on August 7, 2024. The First Tender Offer Price was JPY 8,800 per share of the Company Shares, and the First Stock Acquisition Right Purchase Price was determined by multiplying the difference between the First Tender Offer Price (JPY 8,800) and the exercise price per share of each Stock Acquisition Right by the number of the Company Shares underlying each Stock Acquisition Right.

Further, on July 26, 2024, the Company received a non-binding proposal related to a Privatization Proposal from Bain Capital that offered a tender offer price that exceeded the First Tender Offer Price (the "July 26, 2024 Bain Capital Written Proposal," and the proposal in the July 26, 2024 Bain Capital Written Proposal, the "July 26, 2024 Bain Capital Proposal"). In response, the Company received an explanation from Bain Capital regarding the July 26, 2024 Bain Capital Proposal, and at the same time, it confirmed KKR's stance in light of the July 26, 2024 Bain Capital Proposal and it checked with 3DIP to ascertain 3DIP's intention regarding the July 26, 2024 Bain Capital Proposal. The Special Committee conducted a thorough examination of the July 26, 2024 Bain Capital Written Proposal. That examination involved receiving an explanation of the contents of the July 26, 2024 Bain Capital Written Proposal from the Company, discussing the response policy while receiving professional advice from the advisors it has engaged, holding meetings with both KKR and Bain Capital, communicating through the Company to confirm 3DIP's stance on the July 26, 2024 Bain Capital Written Proposal, and carefully deliberating on the policy on how to respond to the July 26, 2024 Bain Capital Written Proposal based on those meetings and confirmations. As a result, considering that the July 26, 2024 Bain Capital Proposal was a non-binding proposal, the likelihood of Bain Capital obtaining 3DIP's consent to participate in the Tender Offer was unclear, and that 3DIP judged the proposal pertaining to the Final Company Process Proposal by KKR to be superior to the July 26, 2024 Bain Capital Proposal, the Special Committee concluded that the feasibility of the July 26, 2024 Bain Capital Proposal was questionable. On August 4, 2024, the Special Committee submitted a written opinion to the Board of Directors of the Company (the "August 4 Opinion") stating that there were no circumstances sufficient to

alter the opinion it submitted on June 28, 2024. Taking into consideration the contents of the August 4 Opinion submitted by the Special Committee, the Company carefully examined the July 26, 2024 Bain Capital Proposal from the perspective of the feasibility of the acquisition and other factors. The examination revealed that the July 26, 2024 Bain Capital Proposal is not legally binding, requires a certain period and negotiations with financial institutions for the submission of a legally binding proposal, and raises doubts about the certainty of financing. Additionally, the Offeror is already expected to enter into the Tender Agreement with 3DIP and Farallon, which are major shareholders, and 3DIP has no intention of changing this policy. Taking these factors into account, from the perspective of enhancing the corporate value of the Company and securing the interests of the shareholders, the Company concluded on August 5, 2024, that the Final Company Process Proposal made by KKR remains the best proposal.

On August 7, 2024, the Company was contacted by Bain Capital, which indicated its intention to conduct due diligence with the aim of making a proposal to maximize the Company's corporate value. The Company carefully considered whether to proceed with the due diligence based on that request and, on August 20, 2024, the Board of Directors received an opinion from the Special Committee stating that it would be appropriate to grant Bain Capital the opportunity to conduct due diligence from the perspective of securing and enhancing corporate value and the common interests of the shareholders. Following that, the Board of Directors decided to grant Bain Capital the opportunity to conduct due diligence. Based on that policy, since August 23, 2024, the Company has been disclosing to Bain Capital the information necessary for due diligence (the same information as that the Company had disclosed to other PE funds, including KKR), with a deadline set for September 20, 2024. Additionally, the Company requested that Bain Capital submit a Highly Confidential Letter from a financial institution and documentation proving its equity financing capacity by August 30, 2024. Subsequently, on August 30, 2024, the Board of Directors and the Special Committee received supplementary explanatory materials from Bain Capital regarding the July 26, 2024 Bain Capital Written Proposal (the "August 30, 2024 Supplementary Explanatory Materials") as well as an Equity Commitment Letter (however, the funding under the Equity Commitment Letter is subject to certain conditions, including the conclusion of a valid tender offer agreement between Bain Capital and the Company, the commencement and successful completion of the tender offer after the fulfillment or waiver of the conditions set forth in the tender offer agreement, the concurrent procurement of debt financing, and final approval from an investment committee) (the Company also received the Equity Commitment Letter on September 4, 2024). Having received those supplementary explanatory materials, from the view point of not arbitrarily foreclosing the possibility of realization of a competing proposal, the Company decided to continue granting Bain Capital the opportunity to conduct the aforementioned due diligence. According to the August 30, 2024 Supplementary Explanatory Materials, Bain Capital has agreed with the Company's shareholders—Mr. Hiroshi Nozawa, Ms. Chieko Nozawa, and NFC Corporation (collectively, the "Founding Family Shareholders") that they will negotiate in good faith towards the conclusion of various agreements necessary for the privatization transaction proposed by Bain Capital and that until December 31, 2024, the Founding Family Shareholders will refrain from engaging in any actions with parties other than Bain Capital that would or are likely to compete with, contradict, or conflict with the series of transactions related to Bain Capital taking the Company private. The Special Committee noted that Mr. Sakashita is related by marriage to the Founding Family Shareholders. Given that agreement, Mr. Sakashita might be deemed to have a special interest in both the Tender Offers proposed by the Offeror and the privatization transaction proposed by Bain Capital. Therefore, the Special Committee requested that Mr. Sakashita completely abstain from participating in any discussions or decisions of the Company's Board of Directors regarding the Transactions and refrain from participating in any review, discussions, or negotiations with the Offeror and Bain Capital on behalf of the Company. The Company agreed to that request. Based on that decision, Mr. Sakashita has not participated in any discussions or decisions of the Company's Board of Directors regarding the Transactions, in any reviews related to the Transactions, or in any discussions or negotiations with the Offeror and Bain Capital since September 2, 2024. The Company's executives have checked with Bain Capital, the founding family, and their financial advisor, Nomura Securities Co., Ltd., on the specific terms of the agreement between Bain Capital and the founding family; however, no detailed response has been received.

On September 3, 2024, Bain Capital issued the Bain Capital Press Release dated September 3, 2024. The Company has

determined that the proposal from Bain Capital is a bona fide offer and the Company has been conducting an appropriate and fair process with the potential investors, including Bain Capital and KKR. However, on October 11, 2024, a legally binding proposal was submitted by Bain Capital (the “October 11, 2024 Bain Capital Proposal”) and the *October 11, 2024 Bain Capital Press Release* was announced on the same date. After the Special Committee received an explanation regarding a meeting between the Company’s executives and KKR concerning KKR’s response to Bain Capital’s proposal, and carefully considered the advice of the Special Committee’s advisors, the Special Committee submitted the October 15 Opinion to the Company’s Board of Directors. In that opinion, it is stated that (i) when comparing the abilities and track record of KKR and Bain Capital thus far, there is no indication that the Transactions offer fewer general benefits of a privatization transaction than Bain Capital’s proposal, (ii) there have been no changes to the conditions of KKR’s First Tender Offer, and it is expected that will be successfully completed by 3DIP and Farallon tendering their Company Shares, and KKR has already announced its intention to commence the Second Tender Offer, and (iii) there are no factors that overturn the assumptions and assessments made by the Special Committee regarding the reasonableness of the terms and the fairness of the procedures of the Transactions, and there are no changes to those opinions. On the other hand, that opinion also stated that (iv) even if the Company’s minority shareholders carefully consider tendering their shares in the tender offer for the Company Share Certificates by Bain Capital, as described in the October 11, 2024 Bain Capital Press Release, those minority shareholders of the Company still have the option to tender their shares in the Second Tender Offer at the same price of 8,800 yen as the First Tender Offer, so while the Company maintains its opinion in support of and recommendation to tender in the First Tender Offer, it is also reasonable for minority shareholders to choose not to tender their shares in the First Tender Offer and instead, based on the progress of Bain Capital’s proposal, to tender their shares in the Second Tender Offer, and therefore it is not intended to actively exclude such decision of those minority shareholders. Considering this, there has been no change in the view that conducting the Transactions would contribute to enhancing the Company’s corporate value, and although the Company is continuing to carefully examine the October 11, 2024 Bain Capital Proposal, as of October 18, 2024, there have been no circumstances that would warrant changing the Company’s opinion regarding the Tender Offers. Accordingly, the Company continues to express its opinion in support of the First Tender Offer and maintains its recommendation for the Company’s shareholders and the Stock Acquisition Rights Holders to tender their Company Share Certificates in the Tender Offer. Additionally, while the Company continues to recommend that the Company’s shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the First Tender Offer by the Offeror, it should also state that it would be reasonable for the Company’s shareholders and the Stock Acquisition Rights Holders, in consideration of Bain Capital’s proposal, to choose not to tender their Company Share Certificates in the First Tender Offer and instead, based on the outcome of Bain Capital’s proposal, to tender their Company Share Certificates in the Second Tender Offer by the Offeror. This resolution was approved by a majority of the directors who participated in the vote, except Mr. Sakashita, who did not participate in the discussions or the resolution.

Following that, on November 15, 2024, the Company’s Board of Directors received a proposal from the Offeror stating that, in addition to the increase in the Tender Offer Price, and subject to expressing an opinion in support of the Second Tender Offer and recommending that the Company’s shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer, as well as other conditions, the Second Tender Offer would be initiated as soon as practicable. After careful deliberations by the Special Committee in light of that proposal, the Company received the November 15 Opinion from the Special Committee, which recommended the following: (i) the Offeror’s proposal aims to take the Company private solely by way of KKR acquiring all of the Company Shares, which will contribute to the enhancement of the Company’s corporate value and (ii) in light of the fact that the Second Tender Offer exceeds the tender offer by Bain Capital in terms of price, the Company should express an opinion in support of the Second Tender Offer and recommend that the Company’s shareholders and stock acquisition rights holders tender their Company Share Certificates in the Second Tender Offer. At the meeting of the Board of Directors of the Company held on November 15, 2024, after careful and sincere consideration of the Second Tender Offer while giving the utmost respect to the content of the November 15 Opinion, the Company resolved with the unanimous approval of all directors except for Mr. Sakashita, who did not participate in the deliberations or voting, to express an opinion in support of the

Second Tender Offer and to recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer.

On November 18, 2024, the Company received the November 18 Opinion from the Special Committee reiterating the points made in the November 15 Opinion: (i) the Offeror's proposal aims to take the Company private solely by way of KKR acquiring all of the Company Shares, which will contribute to enhancing the Company's corporate value and (ii) in light of the fact that the Second Tender Offer exceeds the tender offer by Bain Capital in terms of price, the Company should express an opinion in support of the Second Tender Offer and recommend that the Company's shareholders and stock acquisition rights holders tender their Company Share Certificates in the Second Tender Offer. Additionally, on the date of this Press Release, the Company was informed by the Offeror that the Second Tender Offer will be conducted during a tender offer period from November 20, 2024, to December 19, 2024. In light of that, at the meeting of the Board of Directors held today, it was resolved with the unanimous approval of all directors except for Mr. Sakashita, who did not participate in the deliberations or voting, to continue expressing an opinion in support of the Second Tender Offer and to recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer.

During the above review and negotiation process, the Special Committee was regularly informed by the Company and its financial advisor and it actively participated in the negotiation process by providing its opinions on the terms of the Tender Offers. Additionally, during the negotiations with KKR and Bain Capital, the Company adhered to the negotiation policy deliberated and decided upon by the Special Committee. Each time the Company received a response from KKR and Bain Capital, it immediately reported to the Special Committee and acted according to its instructions.

In the course of those discussions and evaluations, the Company obtained a share valuation report from SMBC Nikko Securities dated August 7, 2024 (the "Share Valuation Report (SMBC Nikko Securities)") (for an overview of that share valuation report, see "(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser" in "(3) Matters Concerning Valuation" below). Additionally, the Company received necessary legal advice from Mori Hamada & Matsumoto regarding the decision-making process of the Board of Directors, including the Transactions, and other noteworthy points. The Special Committee also submitted the August 7 Opinion (for the specific details of that report and the activities of the Special Committee, see "(d) Establishment of an Independent Special Committee by the Company and Obtaining a Report from the Special Committee" in "(6) Measures to Ensure Fairness in the Tender Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" in the Notice regarding Expression of Opinion in Support of the Planned Commencement of the Tender Offer for the Company Share Certificates by FK Co., Ltd. and Recommendation to Tender Shares announced by the Company on August 8, 2024 (the "August 8 Press Release")).

(iii) Content of Decision

Under the above circumstances, at the Board of Directors meeting held on August 8, 2024, the Company carefully discussed and examined the terms of the Transactions. This was done by considering the details of the Share Valuation Report (SMBC Nikko Securities) and the legal advice received from Mori Hamada & Matsumoto, while respecting to the utmost the contents of the August 7 Opinion obtained from the Special Committee.

As a result, as explained below, with respect to the First Tender Offer, the Company has determined that the Tender Offer Price is a reasonable price that ensures the benefits that should be enjoyed by its general shareholders, and that the First Tender Offer will provide an opportunity for its general shareholders to sell the Company Shares at a price with an appropriate premium.

- (A) As stated in "(ii) Background of Examinations and Negotiations" above, that price is the highest price among the legally binding proposal prices submitted by multiple PE funds.
- (B) That price was agreed upon by the Company after measures were taken to ensure the fairness of the conditions of the

Transactions including the Tender Offer Price as stated in “(6) Measures to Ensure Fairness in the Tender Offers such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, and with the involvement of the Special Committee.

- (C) That price exceeds the valuation range of the Company Shares calculated by the market price method and the comparable company method, as indicated in the Share Valuation Report (SMBC Nikko Securities) mentioned in “(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser” in “(3) Matters Concerning Valuation” below. Further, the price falls within the valuation range calculated using the DCF Analysis (as defined in “(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser” in “(3) Matters Concerning Valuation” below, hereinafter the same).
- (D) That price and the other conditions of the First Tender Offer are considered reasonable as indicated in the report dated August 7 obtained from the Special Committee.
- (E) The First Tender Offer Period is set at 30 business days, which is longer than the statutory minimum of 20 business days, thereby providing the Company’s shareholders and the Stock Acquisition Rights Holders with an opportunity to make an appropriate decision regarding their participation in the First Tender Offer. That extended period also ensures that other persons have an opportunity to make offers to purchase the Company Shares.
- (F) Although the lower limit of the First Tender Offer does not meet the majority of minority threshold for the number of shares to be purchased, sufficient fairness measures have been implemented in the Transactions. Therefore, the fact that the lower limit for the number of shares to be purchased is not set at the majority of minority threshold does not compromise the fairness of the First Tender Offer.
- (G) In the Transactions, the money to be delivered to the shareholders as consideration upon the consolidation of shares is to be calculated to equal the Tender Offer Price multiplied by the number of shares owned by each shareholder (excluding the Company). This arrangement ensures that the general shareholders have an opportunity to make an appropriate decision on whether to tender their shares in the First Tender Offer, thereby preventing any undue pressure.

Additionally, with the support of KKR, which has extensive experience in investing in companies both in and outside of Japan as well as knowledge and networks, the Company believes it is possible to increase the feasibility of enhancing its medium- to long-term corporate value by strengthening the implementation of its business strategy.

The Company believes that by going private through the tender offer by the Offeror, it can secure a stable shareholder structure and strive towards the realization of the new medium-term management plan, thereby enhancing the feasibility of the plan and increasing the likelihood of achieving its goals.

Going forward, the Company anticipates receiving alliance support in various fields based on strategic new business areas and technological trends, as well as support for the execution of M&As and PMIs. However, the Company plans to conduct specific negotiations with KKR after the completion of the Tender Offers and finalize the details following that.

It should be noted that the potential disadvantages of taking the Company Shares private include the impact on society’s trust in the Company, especially a loss of confidence among the Company’s customers, effects on recruitment, and impacts on employees (such as decreased motivation). However, the Company believes that appropriate measures can be put in place to address each of those issues, thereby limiting the impact on management. The Company anticipates that the benefits of going private will outweigh those disadvantages.

The Company resolved at the meeting of its Board of Directors held on August 8, 2024 to express its support for the First Tender Offer as its opinion as of that date and to recommend that the Company’s shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the First Tender Offer, if the First Tender Offer has commenced.



Following that, the Company was informed by the Offeror on August 30, 2024, that as of September 4, 2024, all of the Tender Offer Conditions (excluding the completion of obtaining the clearances under the Foreign Exchange Act Procedures and the Procedures in Response to Vietnamese Authorities) had been satisfied. Furthermore, the Offeror judged that it is likely the obtaining of the clearances under the Foreign Exchange Act Procedures and the Procedures in Response to Vietnamese Authorities will be completed soon, and it therefore determined that the First Tender Offer could be commenced. The Offeror waived the Tender Offer Conditions related to the completion of the obtaining of the clearances under the Foreign Exchange Act Procedures and the Procedures in Response to Vietnamese Authorities, which are in Condition (11) of the Tender Offer Conditions, and informed the Company that the First Tender Offer is scheduled to commence on September 5, 2024.

Upon receiving that notice, the Company consulted with the Special Committee to determine whether there were any revisions to the August 7 Opinion submitted by the Special Committee to the Board of Directors on August 7, 2024 and requested that the Special Committee provide the Board of Directors with its opinion—either confirming that there were no revisions or, if there were any revisions, providing its updated opinion.

The Special Committee reviewed the information and materials related to this matter after August 8, 2024, the contents of the August 30, 2024 Supplementary Explanatory Materials, the intentions of Bain Capital and KKR, and, with the professional advice of the advisors appointed by the Special Committee, carefully discussed the information obtained during timely committee meetings. As a result, the Company received the September 4 Opinion from the Special Committee (for the specific content of that opinion and the activities of the Special Committee, see “(d) Establishment of an Independent Special Committee by the Company and Obtaining a Report from the Special Committee” in “(6) Measures to Ensure Fairness in the Tender Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “3. Details, Grounds and Reasons for the Opinion on the Tender Offer” in the September 4, 2024 Company Press Release).

Based on that, while respecting to the utmost the contents of the September 4 Opinion submitted by the Special Committee, the Company carefully reexamined the terms of the First Tender Offer, including the timing of its commencement and the First Tender Offer Period. As a result, the Company determined that proceeding with the Transactions remains conducive to enhancing the Company’s corporate value and is the best course of action to protect the common interests of shareholders at this point in time. Therefore, as of today, there are no factors that would warrant revising the opinion regarding the First Tender Offer expressed as of August 8, 2024.

Furthermore, regarding comparison with the proposal by Bain Capital, considering the elements listed in the September 4 Opinion, as of September 4, 2024, there is no change in the Company’s opinion that the Transaction by KKR is more feasible than the proposal by Bain Capital. Therefore, from this perspective, as of that time, there are no factors that would warrant revising the opinion regarding the First Tender Offer expressed as of August 8, 2024.

The Company was also informed by the Offeror on August 26, 2024 that the Offeror has set a minimum number of shares to be purchased in the First Tender Offer so that the number of voting rights of the Company held by the Offeror after the Tender Offer will be equivalent to at least 57.97% of the total voting rights of the Company. While setting that minimum threshold increases the likelihood of the First Tender Offer being successful, theoretically, even if the First Tender Offer is successful, the Company Shares might not be taken private. However, considering that the highest voting rights exercise ratio at the Company’s general meetings of shareholders over the past three fiscal years was 92.16% and that a significant number of the Company’s shareholders are passive index funds or similar entities, including pension fund management institutions, that typically do not tender their shares in tender offers but tend to vote in favor of share consolidation proposals in subsequent squeeze-out procedures, the Company believes that even if the number of Company Shares owned by the Offeror after the successful Tender Offer reaches the minimum expected purchase amount, the Offeror, holding 53.22% of the total voting rights, would likely command a share of voting rights in favor of the share consolidation proposal equivalent to 61.45%. Given that the number of Company Shares required to approve the Share Consolidation proposal at the Extraordinary General Shareholders Meeting corresponds to approximately

61.44% of the total voting rights (calculated by multiplying the highest voting rights exercise ratio at the Company's general meetings of shareholders over the past three fiscal years, which was 92.16%, by two-thirds, the percentage necessary for a special resolution), it is estimated the projected level of Company Shares expected to vote in favor of the Share Consolidation proposal (approximately 61.45%) will exceed that threshold. Therefore, the Company believes that there is a high probability that the proposal for the Share Consolidation will be approved at the Extraordinary General Shareholders Meeting following the First Tender Offer. Additionally, even in the unlikely event that the proposal for the Share Consolidation is rejected at the Extraordinary General Shareholders Meeting following the First Tender Offer, the Offeror plans to promptly endeavor taking the Company Shares private through additional acquisitions. According to the Offeror, the Offeror will use the market price in the case of an on-market transaction, and in the case of a method other than an on-market transaction, the Offeror will acquire the Company Shares at a price evaluated as being economically equivalent to the First Tender Offer Price per share, unless there is an event that causes an adjustment to become necessary, such as a share consolidation or a share split by the Company. This approach is expected to ensure fairness by eliminating coerciveness and preventing an unequal outcome for shareholders that tendered their shares. The Company has therefore determined that setting the minimum number of shares to be purchased to ensure that the Offeror owns 53.22% of the voting rights after the First Tender Offer is not problematic and that, as with the previous assessment, there are no factors warranting a revision to the opinion regarding the First Tender Offer as of August 8, 2024.

Additionally, the Company received notice from the Offeror on August 26, 2024, that the First Tender Offer Period would be set at the statutory minimum of 20 business days. While the Company recognizes that, given this is a so-called pre-announced tender offer, a 20-business-day period could reasonably provide the minority shareholders with sufficient time to decide whether to tender their shares in the First Tender Offer, as well as opportunities for other potential buyers to make counteroffers for the Company Share Certificates, the Company also considered other factors. In light of those circumstances, the Board of Directors and the Special Committee determined that, from the perspective of enhancing the corporate value of the Company and securing the interests of the minority shareholders, it would be more desirable to set the First Tender Offer Period at 30 business days or more. In light of the above, at the meeting of the Board of Directors held on September 4, 2024, the Company reaffirmed its opinion in favor of the First Tender Offer, on the condition that the First Tender Offer Period is set at 30 business days or more, and resolved to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the First Tender Offer. It was also decided at that time that, if the First Tender Offer Period is not set at 30 business days or more, the Company will request an extension of the offer period as prescribed in Article 27-10, paragraph (2), item (ii) of the Act.

Given that, the Company informed the Offeror of that decision, and then the Company was notified by the Offeror that the First Tender Offer Period would be set at 30 business days.

Additionally, the meeting of the Board of Directors held on August 8, 2024 and the meeting of the Board of Directors held on September 4, 2024 were attended by three company auditors of the Company, and all company auditors who attended stated their opinion that they have no objection to passing the above resolution.

Following that, in connection with the decision by the Offeror on September 19, 2024 to remove the minimum number of shares to be purchased in the First Tender Offer and to commence the Second Tender Offer as soon as practicable after the completion of the First Tender Offer and the completion of the settlement, the Company carefully reexamined and discussed the terms of the First Tender Offer while respecting to the utmost the contents of the opinion dated September 24, 2024 received from the Special Committee (for the specific content of that opinion, see "(d) Establishment of an Independent Special Committee by the Company and Obtaining a Report from the Special Committee" in "(6) Measures to Ensure Fairness in the Tender Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" in the (Amendment) Partial Amendment to "Notice regarding Expression of Opinion in Support of the Tender Offer for the Company Share Certificates by FK Co., Ltd. and Recommendation to Tender Shares" (the "September 26, 2024 Company Press Release")). As a result, given that there are no circumstances where it would be judged that the above

amendments to the tender offer terms would impair the fairness of the procedures, the Board of Directors passed a resolution on September 26, 2024 under Article 370 of the Companies Act (written resolution in lieu of a resolution of a board of directors meeting) to continue to express an opinion in support of the First Tender Offer and to continue to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the First Tender Offer.

In the course of that examination, the Company confirmed with each Tendering Shareholder whether there was any possibility for the Tendering Shareholder to withdraw its tender in the First Tender Offer in the event that a tender offer by Bain Capital were to commence at a tender offer price higher than the First Tender Offer Price given that each Tendering Shareholder had already tendered its Tendered Share Certificates in the First Tender Offer under each Tender Agreement and was obligated to not withdraw its tender without the consent of the Offeror under the relevant Tender Agreement. Each Tendering Shareholder responded that there was no possibility for it to withdraw its tender in the First Tender Offer.

In addition, as a result of the above amendments to the tender offer terms, it is theoretically possible to envision a new scenario where both the First Tender Offer and the Second Tender Offer are conducted, and Bain Capital also conducts its tender offer, leading to a final shareholder composition of the Company where the Offeror holds the Tendered Share Certificates (a total of 20,667,670 shares, representing an ownership ratio of 32.68%) and Bain Capital holds a certain number of shares as well. This could result in the general shareholders that did not tender their shares in the First Tender Offer remaining as minority shareholders of the Company. However, the "risk of general shareholders remaining after the tender offer" has already existed. Additionally, since the Company has not yet received a legally binding proposal from Bain Capital regarding a transaction to take the Company private and it is unclear whether Bain Capital will conduct a tender offer or what the terms would be if it does, the likelihood of the aforementioned scenario materializing remains uncertain. Therefore, the Company believes that there is no basis to conclude that the above amendments to the tender offer terms have definitively increased the coerciveness of the First Tender Offer, nor does it believe that the fairness of the process is affected by that.

Following that, in light of the receipt of the October 11, 2024 Bain Capital Proposal from Bain Capital on October 11, 2024, and the announcement of the October 11, 2024 Bain Capital Press Release by Bain Capital on the same day, the Company and the Special Committee carefully considered whether there was a need to change the opinion of the Board of Directors on the First Tender Offer from the perspective of enhancing the Company's corporate value and securing the interests of the shareholders. As a result, at the Board of Directors meeting held on October 18, 2024, after the Special Committee received an explanation regarding a meeting between the Company's executives and KKR concerning KKR's response to Bain Capital's proposal, and carefully considered the advice of the Special Committee's advisors, the Special Committee submitted the October 15 Opinion to the Company's Board of Directors. In that opinion, it is stated that (i) when comparing the abilities and track record of KKR and Bain Capital thus far, there is no indication that the Transactions offer fewer general benefits of a privatization transaction than Bain Capital's proposal, (ii) there have been no changes to the conditions of KKR's First Tender Offer, and it is expected that will be successfully completed by 3DIP and Farallon tendering their Company Shares, and KKR has already announced its intention to commence the Second Tender Offer, and (iii) there are no factors that overturn the assumptions and assessments made by the Special Committee regarding the reasonableness of the terms and the fairness of the procedures of the Transactions, and there are no changes to those opinions. On the other hand, that opinion also stated that (iv) even if the Company's minority shareholders carefully consider tendering their shares in the tender offer for the Company Share Certificates by Bain Capital, as described in the October 11, 2024 Bain Capital Press Release, those minority shareholders of the Company still have the option to tender their shares in the Second Tender Offer at the same price of 8,800 yen as the First Tender Offer, so while the Company maintains its opinion in support of and recommendation to tender in the First Tender Offer, it is also reasonable for minority shareholders to choose not to tender their shares in the First Tender Offer and instead, based on the progress of Bain Capital's proposal, to tender their shares in the Second Tender Offer, and therefore it is not intended to actively exclude such decision of those minority shareholders. Considering this, there has been no change in the view that conducting the Transactions would contribute to enhancing the Company's corporate value, and although the

Company is continuing to carefully examine the October 11, 2024 Bain Capital Proposal, as of October 18, 2024, there have been no circumstances that would warrant changing the Company's opinion regarding the First Tender Offer. Accordingly, the Company continues to express its opinion in support of the First Tender Offer and maintains its recommendation for the Company's shareholders and the Stock Acquisition Rights Holders to tender their Company Share Certificates in the Tender Offer. Additionally, while the Company continues to recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the First Tender Offer by the Offeror, it should also state that it would be reasonable for the Company's shareholders and the Stock Acquisition Rights Holders, in consideration of Bain Capital's proposal, to choose not to tender their Company Share Certificates in the First Tender Offer and instead, based on the outcome of Bain Capital's proposal, to tender their Company Share Certificates in the Second Tender Offer by the Offeror. This resolution was approved by a majority of the directors who participated in the vote, except Mr. Sakashita, who did not participate in the discussions or the resolution.

Following that, on November 15, 2024, the Company's Board of Directors received a proposal from the Offeror stating that, in addition to the increase in the Tender Offer Price, and subject to expressing an opinion in support of the Second Tender Offer and recommending that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer, as well as other conditions, the Second Tender Offer would be initiated as soon as practicable. The Special Committee submitted the November 15 Opinion to the Board of Directors of the Company on November 15, 2024 in connection with the Board of Directors expressing its opinion regarding the Second Tender Offer. The November 15 Opinion stated that (i) the Offeror's proposal aims to take the Company private solely by way of KKR acquiring all of the Company Shares, which will contribute to enhancing the Company's corporate value and (ii) in light of the fact that the Second Tender Offer exceeds the tender offer by Bain Capital in terms of price, the Company should express an opinion in support of the Second Tender Offer and recommend that the Company's shareholders and stock acquisition rights holders tender their Company Share Certificates in the Second Tender Offer. At the meeting of the Board of Directors of the Company held on November 15, 2024, after careful and sincere consideration of the Second Tender Offer while giving the utmost respect to the content of the November 15 Opinion, the Company resolved with the unanimous approval of all directors except for Mr. Sakashita, who did not participate in the deliberations or voting, to express an opinion in support of the Second Tender Offer and to recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer.

- (A) The Tender Offer Price is the highest price among the legally binding proposals submitted by multiple PE funds and exceeds the tender offer price of JPY 9,450 presented in the October 11, 2024 Bain Capital Proposal, which was submitted after the Company informed Bain Capital that it expected a proposal with the highest possible price.
- (B) The Tender Offer Price was agreed upon by the Company after measures were taken to ensure the fairness of the conditions of the Transactions including the Tender Offer Price as stated in "(6) Measures to Ensure Fairness in the Tender Offers such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, and with the involvement of the Special Committee.
- (C) The Tender Offer Price exceeds the valuation range of the Company Shares calculated by the market price method and the comparable company method, as indicated in the Share Valuation Report (SMBC Nikko Securities) mentioned in "(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser" in "(3) Matters Concerning Valuation" below. Further, the price falls within the valuation range calculated using the DCF Analysis (as defined in "(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser" in "(3) Matters Concerning Valuation" below).
- (D) The Tender Offer Price and the other conditions of the Second Tender Offer are considered reasonable as indicated in the November 15 Opinion obtained from the Special Committee.
- (E) In the Transactions, the money to be delivered to the shareholders as consideration upon the consolidation of shares is

to be calculated to equal the Tender Offer Price multiplied by the number of shares owned by each shareholder (excluding the Company). This arrangement ensures that the general shareholders have an opportunity to make an appropriate decision on whether to tender their shares in the Second Tender Offer, thereby preventing any undue pressure.

On November 1, 2024, Bain Capital issued a press release titled Notice of Progress Toward Commencement of Tender Offer for the Shares of FUJISOFT INCORPORATED (Securities Code: 9749) (the “November 1, 2024 Bain Capital Press Release”). In that press release, Bain Capital stated its intention to promptly conduct a tender offer for the Company Share Certificates upon the Board of Directors of the Company expressing support for the tender offer by Bain Capital. After reviewing the tender offer by Bain Capital for the Company Share Certificates, the Company and the Special Committee determined their opinion on the Second Tender Offer. The November 15 Opinion, received from the Special Committee, outlined the following points: (i) Bain Capital’s proposal faces challenges in taking the Company private solely due to KKR’s existing ownership of approximately 34% of the Company Shares, as taking the Company private would require KKR’s agreement to sell its Company Shares. Without that, a deadlock would arise with multiple major shareholders coexisting after the tender offer, potentially hindering important decisions such as special resolutions at shareholder meetings and creating risks to achieving both inorganic growth and swift decision-making, thereby casting doubt on the enhancement of the Company’s corporate value. Additionally, Bain Capital’s inability to acquire the necessary shares for a squeeze-out through the tender offer creates an element of a partial tender, and there are insufficient measures to address the coerciveness associated with such a partial tender. As a result, Bain Capital’s proposal is inferior to the Offeror’s proposal in terms of enhancing the corporate value of the Company and the fairness of procedures. (ii) In terms of price, Bain Capital’s tender offer does not exceed the Second Tender Offer by the Offeror. (iii) It is deemed more beneficial for the Company to consolidate support around the superior proposal by the Offeror and create an environment that enables the Company to focus on achieving its New Medium-Term Plan as quickly as possible, thereby enhancing its corporate value more effectively. In light of those points, the November 15 Opinion recommended that the Company express an opinion opposing Bain Capital’s tender offer. At the Board of Directors meeting held on November 15, 2024, after sincere and careful deliberation and giving the utmost respect to the November 15 Opinion, the Board of Directors unanimously resolved, with the exception of Mr. Sakashita, who did not participate in the deliberations or voting, to express an opinion opposing Bain Capital’s tender offer. That decision was based on the following conclusions: (i) Bain Capital’s proposal raises concerns about enhancing the corporate value of the Company due to the risks of a deadlock and insufficient measures to address coerciveness, considering KKR’s existing 34% ownership of the Company Shares, (ii) in terms of price, Bain Capital’s tender offer does not exceed the Second Tender Offer by the Offeror, and (iii) consolidating support around the superior proposal by the Offeror and establishing an environment to advance the Company’s New Medium-Term Plan as quickly as possible would more effectively contribute to the enhancement of the corporate value of the Company.

Further, the Company received the November 18 Opinion from the Special Committee on November 18, 2024 and was notified by the Offeror today that the Second Tender Offer will be conducted during a tender offer period from November 20, 2024 to December 19, 2024, and in light of that, at the meeting of the Board of Directors held today, it was resolved with the unanimous approval of all directors except for Mr. Sakashita, who did not participate in the deliberations or voting, to continue expressing an opinion in support of the Second Tender Offer, to recommend that the Company’s shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer, and to express an opinion opposing the tender offer by Bain Capital.

(3) Matters Concerning Valuation

(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser

To ensure fairness in the decision-making process regarding the privatization of the Company Shares, the Company obtained the Share Valuation Report (SMBC Nikko Securities) dated August 7, 2024 from SMBC Nikko Securities, a financial advisor and third-party appraiser that is independent from the Offeror, the Offeror’s Parent Company, KKR, and the Company.

When considering taking the Company private, the Company obtained the Share Valuation Report (SMBC Nikko Securities) from SMBC Nikko Securities. The Board of Directors of the Company received an explanation from SMBC Nikko Securities that there is no need to amend the content of the Share Valuation Report (SMBC Nikko Securities) and found nothing unreasonable in that explanation. Moreover, even after considering changes in the environment and circumstances surrounding the Company from August 7, 2024, when the report was initially obtained, through November 18, 2024, it is believed that there have been no significant changes to the underlying facts that would affect the Share Valuation Report (SMBC Nikko Securities). Additionally, as noted in “(b) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-party Appraiser” below, the Special Committee determined that there was no need to request any revision or update to the Share Valuation Report (JP Morgan Securities) (defined in “(b) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-party Appraiser”). Based on these considerations, it was determined that there is no need to revise or update the Share Valuation Report (SMBC Nikko Securities). Further, given that the Tender Offer Price exceeds the First Tender Offer Price and that both the Offeror and the Company have taken measures to ensure the fairness of the Tender Offers and to avoid conflicts of interest, the Company has not obtained a new share valuation report from SMBC Nikko Securities in connection with its opinion on the Second Tender Offer.

SMBC Nikko Securities does not constitute a related party of the Offeror, the Offeror’s Parent Company, KKR, or the Company, and has no material interest in the Transactions. At the meeting of the Special Committee, the Special Committee confirmed that there is no issue with the independence of SMBC Nikko Securities and approved SMBC Nikko Securities as the Company’s third-party appraiser. Additionally, the Company has implemented measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest (specifically, the measures described in “(6) Measures to Ensure Fairness in the Tender Offers such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” below). The Company believes that sufficient consideration has been given to the interests of the Company’s minority shareholders. Therefore, the Company has not obtained a fairness opinion regarding the fairness of the Tender Offer Price (JPY 9,451) from SMBC Nikko Securities.

(Note) In preparing the Share Valuation Report (SMBC Nikko Securities), SMBC Nikko Securities has assumed that all materials and information on which it is based are accurate and complete. SMBC Nikko Securities has not independently verified the accuracy or completeness of that information and assumes no obligation or responsibility for its accuracy or completeness. It is also assumed that the Company is not aware of any facts or circumstances that would make the provided information inaccurate or misleading. Further, SMBC Nikko Securities has not independently evaluated, appraised, or assessed the assets or liabilities of the Company and its affiliates and it has not requested any third-party institution to conduct any such evaluation, appraisal, or assessment. If any issues are found with the accuracy or completeness of those materials and information, the valuation results might differ significantly. It is also assumed that there are no undisclosed lawsuits, disputes, environmental issues, tax-related claims or obligations, other contingent liabilities, off-balance-sheet liabilities, or other facts concerning the Company and its affiliates that could have a material impact on the Share Valuation Report (SMBC Nikko Securities). SMBC Nikko Securities has assumed that the business plans (the “Business Plans”) and other information used in the Share Valuation Report (SMBC Nikko Securities) were prepared by the Company based on the best forecasts and judgments available as of the valuation date, and that those were prepared in accordance with reasonable and appropriate procedures. Additionally, in cases where SMBC Nikko Securities conducted its analysis in the Share Valuation Report (SMBC Nikko Securities) based on assumptions provided with the materials and information, it is assumed that the provided materials, information, and assumptions are accurate and reasonable. SMBC Nikko Securities has not independently verified the accuracy, reasonableness, or feasibility of those assumptions and does not owe any obligation and is not liable for them. It should be noted that the results of the valuation by SMBC Nikko Securities were provided to the Company at its request solely for the purpose of serving as a reference for the Board of Directors of the Company when considering the First Tender Offer Price. Those valuation results do not constitute an opinion by SMBC Nikko Securities on the fairness of the First Tender Offer Price or the Second Tender Offer Price.

SMBC Nikko Securities, in the context of the Tender Offers, considered appropriate valuation methods from multiple

approaches to evaluate the Company's share value and concluded that it was appropriate to evaluate the Company's share value from diverse perspectives. Given that the Company's shares are listed on the Prime Market of the TSE, it used the market share price analysis. SMBC Nikko Securities also used a comparable listed company analysis because there are several comparable listed companies, making it possible to estimate the Company's share value through comparison. Additionally, to reflect the future business activities in the valuation, SMBC Nikko Securities used the discounted cash flow analysis (the "DCF Analysis"). Using those methods, SMBC Nikko Securities conducted a valuation of the share value of the Company and provided the Share Valuation Report (SMBC Nikko Securities) dated August 7, 2024 to the Company. The ranges of the share value per share of the Company Shares calculated based on the above methods in the Share Valuation Report (SMBC Nikko Securities) are as follows.

Market share price analysis: JPY 6,505 – JPY 7,130

Comparable listed company analysis: JPY 5,524 – JPY 6,405

DCF Analysis: JPY 7,027 – JPY 9,529

Under the market share price analysis, the range of the per-share value of the Company Shares has been calculated to be JPY 6,505 to JPY 7,130 based on the simple average of the closing price of the Company Shares for the most recent one month (JPY 7,130), the simple average of the closing price for the most recent three months (JPY 6,797), and the simple average of the closing price for the most recent six months (JPY 6,505) on the Prime Market of the TSE with August 7, 2024 as the valuation date.

Under the comparable listed company analysis, SMBC Nikko Securities selected listed companies that operate businesses relatively similar to the Company. Using the EBITDA multiple in relation to enterprise value, it calculated the share value per share of the Company Shares. The range of the per-share share value was determined to be between JPY 5,524 and JPY 6,405.

Under the DCF Analysis, the Company's corporate value and share value are calculated by discounting the future free cash flow that the Company is expected to generate from the second quarter of the fiscal year ending December 2024 by a certain discount rate to its present value, based on various factors such as the financial forecasts and investment plans in the Business Plans prepared by the Company for the five fiscal years from the fiscal year ending December 2024 to the fiscal year ending December 2028 and publicly available information. The range of the share value per share of the Company Shares is calculated to be between JPY 7,027 and JPY 9,529. Additionally, in calculating the going concern value, SMBC Nikko Securities adopted both the perpetuity growth method and the multiple method.

In the analysis using the DCF Analysis, the financial projections were based on Business Plans prepared by the Company, but that does not include fiscal years where significant fluctuations in profits or losses and the free cash flow are anticipated. Additionally, potential synergy effects expected to be realized through the execution of the Transactions were not reflected in the valuation as it was difficult to specifically estimate their impact on earnings at the time of the valuation. The share value of the Company was therefore calculated on a standalone basis.

(b) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Appraiser

When reviewing the Consultation Matters (as defined below), the Special Committee requested JP Morgan Securities, a financial advisor and third-party appraiser that is independent from the Offeror, the Offeror's Parent Company, KKR, and the Company, a valuation of the value of the Company Shares and also requested the submission of a fairness opinion (the "Fairness Opinion") stating that the *First Tender Offer Price* (JPY 8,800 per share of the Company Shares) is fair to the shareholders of the Company from a financial point of view. Further, given that the Tender Offer Price exceeds the First Tender Offer Price and that both the Offeror and the Company have taken measures to ensure the fairness of the Tender Offers and to avoid conflicts of interest, the Special Committee has not requested JP Morgan Securities to recalculate the value of the Company Shares or to issue an opinion (fairness opinion) stating that the Tender Offer Price is fair to the Company from a financial point of view in connection with its expression of opinion on the Second Tender Offer.

JP Morgan Securities reviewed the Company's financial condition and trends in the market price of the Company Shares and other factors, and concluded that it was appropriate to use a multifaceted approach and considered which valuation methods should be adopted from among multiple share valuation methods. Since there is a market price for the Company Shares, JP Morgan Securities used the average market share price method, and it used the trading multiple analysis method because there are several listed companies comparable to the Company, making it possible to infer the share value of the Company Shares through comparison. It also used the transaction multiple analysis method, given that there are several publicly announced transactions that are relatively similar to the Tender Offer focusing on privatization deals involving Japanese companies engaged in similar businesses over the past few years, allowing for the inference of the share value of the Company Shares through comparison with those transactions. Lastly, JP Morgan Securities used the DCF Analysis to reflect future business activities in the valuation. Based on these methods, JP Morgan Securities calculated the share value of the Company Shares and submitted a share valuation report dated August 7, 2024 (the "Share Valuation Report (JP Morgan Securities)") to the Special Committee. Additionally, on August 7, 2024, JP Morgan Securities submitted the Fairness Opinion to the Special Committee, which stated that, under the conditions set out in the Note below, the First Tender Offer Price is fair to the Company's shareholders from a financial point of view. The Share Valuation Report (JP Morgan Securities) and the Fairness Opinion were prepared solely to provide information and to support the Special Committee in its review of the Transactions.

Please note that JP Morgan Securities is not a related party of the Offeror, the Offeror's Parent Company, KKR, and the Company, and does not have any material interests in the Transactions.

The calculation ranges of the share value per share of the Company Shares calculated by JP Morgan Securities based on the above methods are as follows.

Average market share price method: JPY 6,505 – JPY 7,390

Trading multiple analysis method: JPY 4,758 – JPY 5,566

Transaction multiple analysis method: JPY 4,946 – JPY 7,253

DCF Analysis: JPY 7,852 – JPY 10,453

Under the average market share price method, the range of the per-share value of the Company Shares has been calculated to be JPY 6,505 to JPY 7,390, with August 7, 2024, which is the business day immediately preceding the date on which the Company's August 8 Press Release was released by the Company, as the valuation date, based on the closing price of the Company Shares on the Prime Market of the TSE on the valuation date (JPY 7,390), the simple average of the closing price of the Company Shares for the most recent one month (JPY 7,130), the simple average of the closing price for the most recent three months (JPY 6,797), and the simple average of the closing price for the most recent six months (JPY 6,505).

Under the trading multiple analysis method, the range of the per-share value of the Company Shares has been calculated to be JPY 4,758 to JPY 5,566 based on a calculation of the share value of the Company Shares through comparisons with market prices and financial indicators showing factors such as profitability of listed companies engaged in businesses that are comparably similar to the Company.

Under the transaction multiple analysis method, JP Morgan Securities calculated the value of the Company Shares through comparisons with transaction prices and financial indicators such as the profitability of past publicly announced transactions in Japan considered relatively similar to the Tender Offer with a focus on privatization deals involving Japanese companies engaged in similar businesses over the past few years. Through those comparisons, JP Morgan Securities calculated the range of the value of the Company Shares to be between JPY 4,946 and JPY 7,253 per share.

Under the DCF Analysis, JP Morgan Securities conducted an analysis based on the Company's business plan and financial forecasts for the fiscal years ending December 2024 through December 2028, as well as the revenue and investment plans outlined in the Company's business plan, which were approved by the Special Committee for JP Morgan Securities to use. In



the analysis using the DCF Analysis, the financial projections were based on Business Plans prepared by the Company, but that does not include fiscal years where significant fluctuations in profits or losses and the free cash flow are anticipated. Additionally, potential synergy effects expected to be realized through the execution of the Transactions were not reflected in the valuation as it was difficult to specifically estimate their impact on earnings at the time of the valuation. The share value of the Company was therefore calculated on a standalone basis.

(Note) In expressing the opinions stated in the Fairness Opinion and calculating the share value of the Company Shares in the Share Valuation Report (JP Morgan Securities) upon which those opinions are based, JP Morgan Securities assumed that all public information, information provided by the Special Committee, the Company, and the Offeror, and information discussed with the Special Committee, the Company, and the Offeror, as well as any other information that JP Morgan Securities reviewed or had reviewed on its behalf, is accurate and complete. JP Morgan Securities has not independently verified the accuracy or completeness of that information (and does not assume any responsibility or obligation to do so). JP Morgan Securities has not conducted any evaluation or assessment of any assets or liabilities of the Offeror or the Company and no such evaluation or assessment has been conducted on its behalf. Additionally, JP Morgan Securities has not evaluated the creditworthiness of the Offeror or the Company under any laws or regulations related to insolvency, suspensions of payments, or similar matters. In relying on the financial analyses and forecasts submitted by the Company or derived therefrom, JP Morgan Securities assumed that those analyses and forecasts were reasonably prepared based on the best estimates and judgments of the management of the Company regarding the future performance and financial condition of the Company as of the time of the preparation of the Share Valuation Report (JP Morgan Securities) and the Fairness Opinion. JP Morgan Securities does not express any opinion on those analyses or forecasts or on the assumptions on which they are based. Additionally, JP Morgan Securities assumes that the Tender Offer and all transactions intended to be carried out by the Offeror as described in the Company's August 8 Press Release (the "Transaction, Etc.") will be executed as described in the Company's August 8 Press Release. JP Morgan Securities is not an expert in legal, regulatory, tax, accounting, or similar matters and has relied on the judgment of the advisors of the Special Committee on those matters. Further, JP Morgan Securities assumes that all important consents and approvals from governments, regulatory authorities, and other parties required for the execution of the Transaction, Etc. will be obtained without adversely affecting the benefits expected to be enjoyed by the Company from the execution of the Transaction, Etc.

The Fairness Opinion and the underlying valuation results in the Share Valuation Report (JP Morgan Securities) are necessarily based on the information available to JP Morgan Securities as of the date of the Fairness Opinion and on the economic, market, and other conditions as they existed on that date. Events occurring after that date might affect the Fairness Opinion and the underlying valuation results in the Share Valuation Report (JP Morgan Securities). However, JP Morgan Securities is under no obligation to update, revise, or reaffirm its analysis or opinions. The Fairness Opinion only expresses an opinion that the First Tender Offer Price is fair to the Company's shareholders from a financial perspective under certain conditions. It does not express an opinion on whether the First Tender Offer Price in the Tender Offers is fair to holders of any other types of securities, creditors, or other stakeholders of the Company. Additionally, it does not give an opinion on the appropriateness of the Company's decision to proceed with the Transaction, Etc. JP Morgan Securities does not express any opinion on the amount or nature of any compensation related to the First Tender Offer Price in the Transaction, Etc. for any officer, director, employee, or any related party of any of the parties involved in the Transaction, Etc. and it does not give an opinion on the fairness of any such compensation. Further, JP Morgan Securities does not express any opinion or make any recommendation to the shareholders of the Company on whether they should tender their shares in the Tender Offers or how they should act with respect to the Transactions or any related matters.

Additionally, the Fairness Opinion and the underlying valuation results in the Share Valuation Report (JP Morgan Securities) do not constitute a recommendation to the Company or its Board of Directors regarding any specific purchase price and do not recommend that any specific purchase price is the only appropriate price.

JP Morgan Securities is the financial advisor of the Special Committee and is expected to receive compensation from the Company for its services as the financial advisor. That compensation is payable regardless of whether the Transaction, Etc.

are executed. Further, the Company has agreed to indemnify JP Morgan Securities for certain liabilities that might arise out of its services. During the two years preceding the date of the Fairness Opinion, JP Morgan Securities and its affiliates did not have any financial advisory or other material commercial or investment banking relationships with the Company. During the two years preceding the date of the Fairness Opinion, JP Morgan Securities and its affiliates had commercial or investment banking relationships with KKR & Co. Inc. (“KKR & Co”), which is the parent entity of Kohlberg Kravis Roberts & Co. L.P., for which JP Morgan Securities and its affiliates received customary compensation. Such services during such period have included providing financial advisory services to KKR & Co, and also providing debt syndication, debt underwriting, equity underwriting, and financial advisory services to KKR & Co’s portfolio companies. Additionally, JP Morgan Securities’ affiliated investment bank is an agent bank and a lender under outstanding credit facilities of the Offeror, KKR & Co, and its portfolio companies, and received customary compensation or other financial benefits for those services. In addition, as of August 8, 2024, JP Morgan Securities and its affiliates hold, on a proprietary basis, less than 1% of the outstanding common stock or interests of each of KKR & Co. Inc. and the Company. In the ordinary course of their business, JP Morgan Securities and its affiliates may trade the debt and equity securities of the Company, or KKR & Co. and any of its portfolio companies for its own account or for the accounts of customers. Accordingly, JP Morgan Securities and those affiliates may at any time hold long or short positions in those securities.

The business plans and financial forecasts of the Company (the “Financial Forecasts”) submitted to JP Morgan Securities in connection with the analysis by JP Morgan Securities of the share value of the Company Shares and the Fairness Opinion have been approved by the Special Committee for use by JP Morgan Securities. Please note that the Financial Forecasts have not been publicly disclosed by the Company and were not prepared for the purpose of public disclosure. The Financial Forecasts are inherently uncertain and depend on numerous variables and assumptions beyond the control of the Company’s management. These include, but are not limited to, factors related to general economic conditions, competitive conditions, and prevailing interest rates. Therefore, actual performance might differ significantly from the Financial Forecasts.

The opinions expressed in the Fairness Opinion and the results and summary of the valuation methods outlined in the Share Valuation Report (JP Morgan Securities), upon which those opinions are based, do not encompass all the analyses conducted or data referenced by JP Morgan Securities. The Fairness Opinion and the Share Valuation Report (JP Morgan Securities) have been prepared after going through a complex process, so any partial or summarized description of the analysis results in those documents will not necessarily accurately represent the entirety of the analysis. The results of the analysis by JP Morgan Securities must be considered as a whole and relying on only a part or a summary of those results without considering the analysis results in their entirety might result in an incorrect understanding of the processes underlying the analysis and the opinions of JP Morgan Securities. In expressing its opinion, JP Morgan Securities has considered each analysis and factor holistically and comprehensively, without assigning undue weight to any specific analysis or factor. Moreover, JP Morgan Securities does not express an opinion on whether any particular analysis or factor was the primary basis for its opinion or the extent to which any individual analysis or factor contributed to its opinion. Additionally, the companies selected for comparison in the analysis were chosen by JP Morgan Securities for the purpose of the analysis because they are publicly traded companies that are (in some cases) engaged in businesses considered to be similar to that of the Company. However, those companies are not identical to the Company’s business segment or subsidiaries. Therefore, the analysis by JP Morgan Securities necessarily involves complex considerations and judgments regarding differences in the financial and business characteristics of the companies selected for comparison with the Company, as well as other factors that might affect those companies.

(c) Outline of Calculations Regarding the Stock Acquisition Rights

The Stock Acquisition Rights are priced such that tender offer price per Stock Acquisition Right in the Second Tender Offer (the “Stock Acquisition Right Purchase Price”) is determined by multiplying the difference between the Tender Offer Price of JPY 9,451 and the exercise price per Stock Acquisition Right by the number of Company Shares underlying each Stock Acquisition Right. As a result, the Company has not obtained a valuation report or fairness opinion regarding the Stock Acquisition Right Purchase Price from a third-party appraiser.

Additionally, all of the Stock Acquisition Rights require approval from the Board of Directors of the Company for their acquisition by way of transfer as stipulated in the Terms and Conditions of Stock Acquisition Rights. Further, the transfer of the Stock Acquisition Rights is prohibited under the stock acquisition rights allotment agreements. To enable the transfer of the Stock Acquisition Rights, the Company resolved at the Board of Directors meeting held on August 8, 2024 to provide a blanket approval for the transfer of the Stock Acquisition Rights to the Offeror by having the Stock Acquisition Rights Holders tender their Stock Acquisition Rights in the Tender Offers on the condition that the Tender Offers are successfully completed. The Company also resolved to amend the stock acquisition rights allotment agreements with the holders that wish to transfer their Stock Acquisition Rights, allowing for those transfers.

(4) Expected Delisting and Reasons Therefor

The Company Shares are currently listed on the Prime Market of the TSE as of the date of this Press Release. However, since the Offeror has not set a limit on the maximum number of shares to be purchased in the Tender Offer, the Company Shares might be delisted through prescribed procedures in accordance with the delisting criteria of the TSE, depending on the result of the Tender Offer. In addition, even if those criteria do not apply at the time of the completion of the Tender Offer, the Offeror intends to conduct the Squeeze-out Procedure after the completion of the Tender Offer as described in “(5) Policy on Organizational Restructuring After the Tender Offers (Matters Relating to the So-Called Two-Step Acquisition)” above, so if those procedures are carried out, the Company Shares will be delisted through prescribed procedures in accordance with the delisting criteria of the TSE. After the delisting, it will no longer be possible to trade the Company Shares on the Prime Market of the TSE.

For the reasons behind the purpose of delisting, the impact on minority shareholders, and the Company’s stance on that, see “(b) Background, Purpose, and Decision-Making Process Leading to the Offeror’s Decision to Conduct the Tender Offers and Management Policy Following the Tender Offers” in “(2) Grounds and Reasons for Opinion on the Tender Offers” above and “(5) Policy on Organizational Restructuring After the Tender Offers (Matters Relating to the So-Called Two-Step Acquisition)” below.

(5) Policy on Organizational Restructuring After the Tender Offers (Matters Relating to the So-Called Two-Step Acquisition)

As described in “(a) Overview of the Tender Offers” in “(2) Grounds and Reasons for Opinion” above, in the event that the Offeror will be unable to acquire all of the Company Shares (which includes Restricted Shares and Company Shares delivered upon exercise of the Stock Acquisition Rights but excludes treasury shares owned by the Company) and Stock Acquisition Rights in the Tender Offers, after completion of the Tender Offer, promptly after completion of the settlement of the Tender Offer, the Offeror plans to request that the Company perform a share consolidation of the Company Shares pursuant to Article 180 of the Companies Act (“Share Consolidation”) and plans to request that the Company hold an extraordinary general shareholders meeting (“Extraordinary General Shareholders Meeting”), which is to include a proposal about a partial amendment to the Company’s Articles of Incorporation whereby the provision concerning the number of shares that constitute one unit shall be abolished subject to effectuation of the Share Consolidation. The Offeror believes that it is desirable to hold the Extraordinary General Shareholders Meeting as early as possible from the perspective of enhancing the value of the Company, and it plans to request that the Company make a public announcement about setting a record date during the Second Tender Offer Period so that the date immediately following commencement of settlement of the Tender Offer will be the record date for the Extraordinary General Shareholders Meeting. As of today, the date of the Extraordinary General Shareholders Meeting has not been determined at this time, but it is scheduled to be held in around January 2025 at this time. According to the Company Press Release, the Company will respond to such request if made by the Offeror. The Offeror plans to vote in favor of each of the above proposals at the Extraordinary General Meeting of Shareholders.

If the proposal for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, on the date on which the Share Consolidation becomes effective, the shareholders of the Company will own the number of Company Shares in accordance with the Share Consolidation ratio approved at the Extraordinary General Shareholders Meeting. If the number of shares resulting from the Share Consolidation results in fractions of less than one share, the money obtained by selling the fractions to the Company or the Offeror in a number equivalent to the sum total of such fractional shares (if the total sum includes

fractional shares of less than one share, such sum shall be rounded down to the nearest whole number; hereinafter the same) will be delivered to shareholders of such fractional shares of the Company in accordance with the procedures stipulated in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sales price for the Company Shares in the number equivalent to the sum total of such fractional shares, the Offeror plans to set such price so that the amount of money delivered as a result of such sale to the shareholders of the Company that did not tender their shares in the Tender Offer (excluding the Offeror and the Company) will be equal to the amount calculated by multiplying the Tender Offer Price by the number of Company Shares held by each such shareholder, and then request that the Company file a petition for permission for sale by private contract with a court. Further, although the ratio of the Share Consolidation is undecided as of today, to ensure that only the Offeror will own all Company Shares (excluding treasury shares possessed by the Company), it is planned that the number of shares that shareholders of the Company (excluding the Offeror and the Company) that do not tender shares in the Tender Offer will come to possess will be a fraction of less than one share.

As a provision for the purpose of protecting the rights of minority shareholders in connection with the Share Consolidation, if the Share Consolidation is conducted and results in fractions of less than one share, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, the Companies Act provides that shareholders of the Company who do not tender in the Tender Offer (excluding the Offeror and the Company) may demand that the Company purchase all of their shares that constitute fractions of less than one share at a fair price, and may file a petition with a court to determine the price of the Company Shares. As described above, in the Share Consolidation, since it is planned that the number of shares that shareholders of the Company who do not tender in the Tender Offer (excluding the Offeror and the Company) will come to possess will be a fraction of less than one share, shareholders of the Company who oppose the Share Consolidation will be able to file a petition for price determination in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. If the above petition is filed, the purchase price will be ultimately determined by the court.

The aforementioned procedures may take time to implement or the method of implementation may change depending on circumstances such as the amendment, enforcement, and interpretation by related authorities of relevant laws and regulations. However, even in such cases, it is planned that if the Tender Offer is successfully completed, ultimately the method of delivering money to shareholders of the Company (excluding the Offeror and the Company) that do not tender in the Tender Offer will be adopted, and in that case, the amount of money to be delivered to such shareholders of the Company will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares possessed by each such shareholder of the Company. In addition, if cash is delivered to the Stock Acquisition Right Holders of the Company who have not tendered in the Tender Offer, it will be calculated to be equal to the price obtained by multiplying the Stock Acquisition Right Purchase Price by the number of Stock Acquisition Rights that were held by each such Stock Acquisition Right Holder.

The specific procedures and timing of implementation in each of the above cases will be announced as soon as they are determined after consultation between the Offeror and the Company.

With respect to the Restricted Shares, the allotment agreement stipulates that (a) during the transfer restriction period, if the Share Consolidation (limited to cases where each director and executive officer possesses fractions of less than one share) is approved by a general shareholders meeting of the Company (provided, however, only in the case that the effective date of the Share Consolidation (“Effective Date of Squeeze-out”) is prior to the expiry of the transfer restriction period), the transfer restrictions on the number of Restricted Shares obtained by multiplying the number of Restricted Shares held by each director and executive officer as of the date of such approval, by the number of months from the month that includes the allotment date of the Restricted Shares to the month that includes the approval date, divided by 12 (if the number exceeds 1, it will be deemed to be 1), will be lifted immediately before the business day preceding the Effective Date of Squeeze-out, and (b) in the case of (a) above, on the business day preceding the Effective Date of Squeeze-out, the Company will acquire all of the Restricted Shares for which transfer restrictions have not been lifted as of the same day without compensation. In the Squeeze-out Procedure, it is planned that, in accordance with the provisions of (a) of the above allotment agreement, the Restricted Shares for which transfer restrictions have been lifted immediately before the business day preceding the Effective Date of Squeeze-out shall be subject to the Share

Consolidation, and pursuant to the provisions of (b) of the above allotment agreement, the Restricted Shares for which transfer restrictions have not been lifted immediately before the business day preceding the Effective Date of Squeeze-out shall be acquired by the Company without compensation.

In addition, if the Offeror fails to acquire all of the Stock Acquisition Rights in the Tender Offer despite the completion of the Tender Offer, and if the Stock Acquisition Rights are not exercised and remain, the Offeror plans to request that the Company implement procedures that are reasonably necessary for implementation of the Transaction, such as acquiring the Stock Acquisition Rights and recommending that the Stock Acquisition Right Holders waive the Stock Acquisition Rights.

The Tender Offer is not intended in any way to solicit the approval of the shareholders of the Company at the Extraordinary General Shareholders Meeting. In addition, shareholders of the Company and Stock Acquisition Right Holders should consult with tax experts at their own responsibility regarding the tax treatment of tendering in the Tender Offer or each of the above procedures.

(6) Measures to Ensure Fairness in the Tender Offers such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest

As of August 8, 2024 when the Offeror decided to conduct the First Tender Offer and as of today, the Company is not a subsidiary of the Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, it is not planned that all or part of the management of the Company will invest directly or indirectly in the Offeror, and the Transaction, including the Tender Offers, does not constitute a so-called management buyout. However, given that the Offeror has entered into the Tender Agreements with 3DIP, the largest shareholder of the Company, and Farallon, and the appropriateness of the terms and conditions of the Transaction is particularly important to the interests of the Company's shareholders as the Transaction is a cash acquisition of all of the Company Shares, the following measures have been implemented from the viewpoint of ensuring the fairness, transparency and objectivity of the Tender Offers, and avoiding any potential conflicts of interest. Among the measures described below, the descriptions on the measures implemented by the Company are based on explanations received from the Company up to the date of this Press Release.

Given that the number of Planned Tender Shares in the First Tender Offer was 20,667,670 shares (Ownership Ratio: 32.68%), the Offeror believes that if it were to treat the Tendering Shareholders as not "shareholders of the Company that do not share material interests with the Offeror", and to set a minimum number of shares to be purchased by a so-called "majority of minority" in the First Tender Offer, the Tender Offer may be destabilized and it may not be in the interests of the minority shareholders who wish to tender in the Tender Offer. Although a minimum number of shares to be purchased in the Tender Offer has not been set by such a "majority of minority", it is considered that due consideration has been given to the interests of the minority shareholders of the Company, as the following measures (1) through (9) have been taken by the Offeror and the Company.

(i) Receipt and Review of Proposals from Multiple PE Funds

As stated in "(ii) Discussions Between the Offeror, the Company and 3DIP and the Offeror's Decision-Making Process, Etc." in "(b) Background, Purpose, and Decision-Making Process Leading to the Offeror's Decision to Conduct the Tender Offers and Management Policy Following the Tender Offers" in "(2) Grounds and Reasons for Opinion" above, the Company provided certain information to multiple PE funds in August 2023 and received information regarding their corporate value enhancement measures. Additionally, on September 4, 2023, the Company received written proposals regarding the privatization of the Company Shares from multiple PE funds at the request of 3DIP. As the process has proceeded following that, from early to late June 2024, the Company received legally binding letters of intent from two PE funds, including KKR, and a non-binding letter of intent from one PE fund. Following that, in light of the opinion of the Special Committee, after carefully considering the letter of intent it received, the Company concluded in the middle of July 2024 that the most crucial

issue for advancing the Company's management is to restructure the shareholder composition. The Company concluded that accepting proposals from the PE funds was the best means to achieve this and it decided to proceed with discussions with KKR, which was the PE fund that offered the highest price. After that, through continuous discussions between the Board of Directors of the Company and the Special Committee with KKR regarding the implementation of the Transactions, the Company reached an agreement to proceed with the Transactions. It should be noted that, of the potential investors that made binding offers, compared to the terms proposed by KKR, no other potential investor has presented more favorable conditions for the Company's shareholders regarding the Tender Offer Price. On October 11, 2024, Bain Capital submitted the October 11, 2024 Bain Capital Proposal, which offered a price exceeding the First Tender Offer Price of JPY 8,800. However, the Second Tender Offer Price is JPY 9,451, which exceeds the tender offer price of JPY 9,450 proposed in the October 11, 2024 Bain Capital Proposal.

(ii) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser

To ensure fairness in the decision-making process regarding the privatization of the Company Shares, the Company obtained the Share Valuation Report (SMBC Nikko Securities) dated August 7, 2024 from SMBC Nikko Securities, a financial advisor and third-party appraiser that is independent from the Offeror, the Offeror's Parent Company, KKR, and the Company.

When considering taking the Company private, the Company obtained the Share Valuation Report (SMBC Nikko Securities) from SMBC Nikko Securities. The Board of Directors of the Company received an explanation from SMBC Nikko Securities that there is no need to amend the content of the Share Valuation Report (SMBC Nikko Securities) and found nothing unreasonable in that explanation. Moreover, even after considering changes in the environment and circumstances surrounding the Company from August 7, 2024, when the report was initially obtained, through November 18, 2024, it is believed that there have been no significant changes to the underlying facts that would affect the Share Valuation Report (SMBC Nikko Securities). Additionally, the Special Committee determined that there was no need to request any revision or update to the Share Valuation Report (JP Morgan Securities). Based on these considerations, it was determined that there is no need to revise or update the Share Valuation Report (SMBC Nikko Securities). Further, given that the Tender Offer Price exceeds the First Tender Offer Price and that both the Offeror and the Company have taken measures to ensure the fairness of the Tender Offers and to avoid conflicts of interest, the Company has not obtained a new share valuation report or an opinion on the fairness of the Tender Offer Price (a fairness opinion) from SMBC Nikko Securities in connection with its opinion on the Second Tender Offer.

SMBC Nikko Securities is not a related party of the Offeror, the Offeror's Parent Company, KKR, or the Company and does not have any material interest in the Transactions. The Special Committee confirmed that there is no issue with the independence of SMBC Nikko Securities and approved SMBC Nikko Securities as the Company's third-party appraiser. Additionally, the Company has implemented measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest (specifically, the measures described in this "(6) Measures to Ensure Fairness in the Tender Offers such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest"). The Company believes that sufficient consideration has been given to the interests of the Company's minority shareholders. Therefore, the Company has not obtained a fairness opinion regarding the fairness of the Tender Offer Price (JPY 9,451) from SMBC Nikko Securities. The compensation paid to SMBC Nikko Securities includes a success fee payable on the condition that the Transaction is concluded, etc. However, taking into consideration general business practices in similar transactions and the appropriateness of the compensation structure, which would result in a significant financial burden for the Company if the Transaction is not concluded, the Company has appointed SMBC Nikko Securities as its financial advisor and third-party valuation institution based on the above compensation structure, considering that the inclusion of a success fee payable on the condition that the Transaction is concluded, etc. does not negate its independence.

(iii) Advice From an Independent Law Firm Obtained by the Company

To ensure fairness, objectivity, and rationality in the decision-making process regarding the expression of opinion on the Tender Offers, the Company appointed Mori Hamada & Matsumoto as an external legal advisor. The Company has received

necessary legal advice from that law firm concerning the expression of opinion on the Tender Offers, decision-making methods, and other considerations relevant to the decision-making process for the Tender Offer. Mori Hamada & Matsumoto is not a related party of the Offeror, the Offeror's Parent Company, KKR, or the Company and has no material interest in the Transactions. The Special Committee confirmed the independence of Mori Hamada & Matsumoto and approved it as the Company's legal advisor at the first meeting of the Special Committee. The fees to be paid to Mori Hamada & Matsumoto are calculated by multiplying an hourly rate by the number of hours worked, regardless of the outcome of the Transactions, and do not include any incentive fee contingent upon the successful completion of the Transactions.

(iv) Establishment of an Independent Special Committee by the Company and Obtaining a Report from the Special Committee

As described in "(c) Process and Reasons for the Decision-Making of the Company" in "(2) Grounds and Reasons for Opinion" above, with regard to the proposal to take the Company Shares private, in order to eliminate arbitrariness in decision-making and ensure the fairness, transparency, and objectivity of the Company's decision-making process, at the Board of Directors meeting held on September 12, 2023, the Company established the Special Committee, composed of six independent outside directors (Hikari Imai, Tomoko Aramaki, Takao Tsuji, Hidetaka Nishina, Yuya Shimizu, and Shintaro Ishimaru). The members of the Special Committee have remained unchanged since its establishment; however, from June 12, 2024, Tateki Oishi, who is also an independent outside director of the Company, has participated as an observer. The fee to be paid to the Special Committee is a fixed fee that is to be paid, regardless of contents of the report, and does not include any incentive fee contingent upon the successful completion of the Transactions including the Tender Offers.

The matters entrusted to the Special Committee are as set out below, and the Board of Directors of the Company has resolved to make decisions regarding those matters with the utmost respect for the judgement of the Special Committee regarding the following entrusted matters.

- (a) Compare and review the Company's corporate value enhancement measures with the corporate value enhancement measures proposed by the acquirers pertaining to the Privatization Proposals from the perspective of whether they would secure or enhance the corporate value of the Company and the common interests of Company's shareholders, and make recommendations or suggestions to the Board of Directors on which proposal is preferable
- (b) If the Special Committee determines that the corporate value enhancement measures proposed by an acquirer in the Privatization Proposals under (a) is more desirable than the corporate value enhancement measures formulated by the Company, review that Privatization Proposal from the perspective of whether it would secure or enhance the corporate value of the Company and the common interests of the Company's shareholders, and make recommendations or suggestions to the Board of Directors on whether to approve that Privatization Proposal

Additionally, at the time of the Board of Directors resolution to establish the Special Committee, the Company resolved to grant the following authorities to the Special Committee: (i) when reviewing the entrusted matters, the Special Committee may appoint or designate its own financial advisor or third-party appraiser and legal advisor as necessary (the costs of which will be borne by the Company), (ii) the Special Committee may request the attendance or cooperation in another manner from the Company's officers and employees, the offeror, or other persons considered necessary by the Special Committee to provide information that is reasonably necessary for the review and judgment of the entrusted matters, (iii) the Special Committee may substantively participate in discussions and negotiations between the Company and the offeror, and if considered necessary by the Special Committee, it may directly or indirectly participate in and conduct discussions and negotiations with the offeror on behalf of the Company.

Additionally, on August 5, 2024, the Board of Directors of the Company received the August 4 Opinion from the Special Committee and resolved to consult with the Special Committee regarding the review of the proposal by KKR pertaining to the Final Company Process Proposal, specifically (a) whether to recommend to the Board of Directors of the Company the execution of the tender offer for the common shares and the stock acquisition rights of the Company and the transactions to

take the common shares of the Company private through a series of subsequent procedures (including whether to support that tender offer and recommend that the Company's shareholders and stock acquisition rights holders tender their shares in that tender offer) and (b) whether the decision by the Board of Directors of the Company to execute those transactions would not be disadvantageous to the minority shareholders of the Company (the "Consultation Matters"). When reviewing the Consultation Matters, the Special Committee is to (i) review and determine whether the execution of the transactions would contribute to enhancing the Company's corporate value and (ii) review and determine the appropriateness of the transaction terms and the fairness of the procedures from the perspective of protecting the interests of the Company's minority shareholders. Additionally, the Board of Directors of the Company resolved to make decisions on the above transactions with the utmost respect for the judgment of the Special Committee based on the above consultation and that if the Special Committee determines that the transaction terms of the above transactions in particular are not reasonable, the Board of Directors would not support the above transactions under those terms. The Board of Directors also confirmed that that resolution will not alter the previous entrusted matters or the authorities granted to the Special Committee.

Based on the above, the Special Committee submitted the November 18 Opinion to the Board of Directors of the Company.

For the content of that opinion, please refer to the attachment.

(v) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Appraiser

When reviewing the Tender Offers, the Special Committee appointed JP Morgan Securities as a financial advisor and third-party appraiser that is independent from the Offeror, the Offeror's Parent Company, KKR, and the Company. The Special Committee requested JP Morgan Securities to evaluate the share value of the Company Shares and obtained the Share Valuation Report (JP Morgan Securities) on August 7, 2024. Additionally, the Special Committee has obtained a Fairness Opinion regarding the fairness of the First Tender Offer Price from JP Morgan Securities. See "(b) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Appraiser" in "(3) Matters Concerning Valuation" above for an overview of the Share Valuation Report (JP Morgan Securities) and the Fairness Opinion, and the assumptions on which those are based. JP Morgan Securities is not a related party of the Offeror, the Offeror's Parent Company, KKR, or the Company and does not have any material interest in the Transactions. The fee to be paid to JP Morgan Securities is a fixed fee that is to be paid, regardless of the success of the Transactions, and does not include any incentive fee contingent upon the successful completion of the Transactions.

Additionally, as stated in "(b) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-party Appraiser" in "(3) Matters Concerning Valuation" above, the Special Committee has not obtained a new share valuation report or fairness opinion.

(vi) Advice From an Independent Law Firm Obtained by the Special Committee

The Special Committee appointed Shiomizaka as its legal advisor independent from the Offeror, the Offeror's Parent Company, KKR, and the Company, and the Company received legal advice including advice with respect to the measures to be taken to ensure the fairness, objectivity, and rationality of procedures taken in the Transactions, various steps to be taken for the Transactions, and the method for decision-making by the Company for the Transactions and the process, etc. thereof.

Shiomizaka is not a related party of the Offeror, the Offeror's Parent Company, KKR, or the Company and has no material interest in the expression of opinion on the Tender Offers. The fees to be paid to Shiomizaka are calculated by multiplying an hourly rate by the number of hours worked, regardless of the outcome of the Transactions, and do not include any incentive fee contingent upon the successful completion of the Transactions.

(vii) Approval of All Directors With No Interest in the Company and Opinion of No Objection of All Company Auditors With No Interest in the Company

The Board of Directors carefully discussed and examined the terms of the Transactions. This was done by considering



financial advice from SMBC Nikko Securities, the details of the Share Valuation Report (SMBC Nikko Securities), and the legal advice received from Mori Hamada & Matsumoto and by respecting to the utmost the contents of the August 7 Opinion obtained from the Special Committee.

With respect to the First Tender Offer, as described in “(b) Background, Purpose, and Decision-Making Process Leading to the Offeror’s Decision to Conduct the Tender Offers and Management Policy Following the Tender Offers” in “(2) Grounds and Reasons for Opinion” above, the Company judged that, because the First Tender Offer Price of JPY 8,800 per share is a fair price that ensures the benefits to be enjoyed by the Company’s minority shareholders and, given that, the Stock Acquisition Right Purchase Price is calculated as the First Tender Offer Price of JPY 8,800 minus the exercise price per share of the Stock Acquisition Rights multiplied by the number of shares underlying each Stock Acquisition Right, it is also a fair price. Therefore, the Company determined that the First Tender Offer will provide the Company’s shareholders and Stock Acquisition Rights Holders with a reasonable opportunity to sell the Company Share Certificates at a price with an appropriate premium. At the Board of Directors meeting held on August 8, 2024, the Company passed a resolution to express its support for the Tender Offer as its current opinion and recommend the shareholders of the Company and the Stock Acquisition Rights Holders to tender their Company Share Certificates in the First Tender Offer, if the First Tender Offer has commenced. Further, the Company resolved at the above meeting of the Board of Directors to (a) ask the Special Committee to consider whether there is any change to the August 7 Opinion submitted by the Special Committee to the Board of Directors on August 7, 2024 upon the commencement of the First Tender Offer and, if there has not been any change, to inform the Board of Directors of that fact, or, if there has been a change, to inform the Board of Directors of its opinion after that change and (b) express its opinion on the First Tender Offer again upon the commencement of the First Tender Offer in light of that opinion.

As stated above, the First Tender Offer was scheduled to commence promptly once the Tender Offer Conditions have been satisfied or waived by the Offeror. As of August 8, 2024, the Offeror aimed to commence the First Tender Offer around mid-September 2024. However, since it is difficult to accurately predict the time required for the procedures related to the Clearance by the relevant authorities with jurisdiction over the procedures, the above resolution was unanimously approved by all directors who participated in the deliberations at the above meeting of the Board of Directors.

Following that, the Company was informed by the Offeror that, based on expectations for the Procedures in Response to Vietnamese Authorities, the First Tender Offer was expected to commence on September 5, 2024. Furthermore, on August 30, 2024, the Company was informed by the Offeror that (i) the procedures in response to the authorities, except for the Foreign Exchange Act Procedures and the Procedures in Response to Vietnamese Authorities, have been completed; (ii) in relation to Condition (xi) of the Tender Offer Conditions, the Offeror will waive the condition of the completion of acquisition of the Clearance related to the Foreign Exchange Act Procedures and the Procedures in Response to Vietnamese Authorities; and (iii) on the premise that the Tender Offer Conditions are satisfied (or waived by the Offeror), the Offeror desires to commence the First Tender Offer from September 5, 2024. After carefully reconsidering the terms and conditions of the First Tender Offer including the timing of the commencement of the First Tender Offer and the First Tender Offer Period, while giving the utmost respect to the content of the September 4 Opinion submitted by the Special Committee, it was determined that, as of September 4, 2024, there were no factors requiring a change to the Company’s opinion on the First Tender Offer expressed as of August 8, 2024. The Company was also informed by the Offeror on August 26, 2024 that the Offeror has set a minimum number of shares to be purchased in the First Tender Offer so that the number of voting rights of the Company held by the Offeror after the Tender Offer will be equivalent to at least 57.97% of the total voting rights of the Company. Following that, the Company was informed by the Offeror on August 30, 2024 that the Offeror has set a minimum number of shares to be purchased in the tender offer so that the number of voting rights of the Company held by the Offeror after the First Tender Offer will be equivalent to at least 53.22% of the total voting rights of the Company. While setting that minimum threshold increases the likelihood of the First Tender Offer being successful, theoretically, even if the First Tender Offer is successful, the Company Shares might not be taken private. However, considering that the highest voting rights exercise ratio at the Company’s general meetings of shareholders over the past three fiscal years was 92.16% and that a significant number of the Company’s shareholders are passive index funds or similar entities, including pension fund management institutions, that

typically do not tender their shares in tender offers but tend to vote in favor of share consolidation proposals in subsequent squeeze-out procedures, the Company believes that even if the number of Company Shares owned by the Offeror after the successful Tender Offer reaches the minimum expected purchase amount, the Offeror, holding 53.22% of the total voting rights, would likely command a share of voting rights in favor of the share consolidation proposal equivalent to 61.45%. Given that the number of Company Shares required to approve the Share Consolidation proposal at the Extraordinary General Shareholders Meeting corresponds to approximately 61.44% of the total voting rights (calculated by multiplying the highest voting rights exercise ratio at the Company's general meetings of shareholders over the past three fiscal years, which was 92.16%, by two-thirds, the percentage necessary for a special resolution), it is estimated the projected level of Company Shares expected to vote in favor of the Share Consolidation proposal (approximately 61.45%) will exceed that threshold. Therefore, the Company believes that there is a high probability that the proposal for the Share Consolidation will be approved at the Extraordinary General Shareholders Meeting following the First Tender Offer. Additionally, even in the unlikely event that the proposal for the Share Consolidation is rejected at the Extraordinary General Shareholders Meeting following the First Tender Offer, the Offeror plans to promptly endeavor taking the Company Shares private through additional acquisitions. According to the Offeror, the Offeror will use the market price in the case of an on-market transaction, and in the case of a method other than an on-market transaction, the Offeror will acquire the Company Shares at a price evaluated as being economically equivalent to the First Tender Offer Price per share, unless there is an event that causes an adjustment to become necessary, such as a share consolidation or a share split by the Company. This approach is expected to ensure fairness by eliminating coerciveness and preventing an unequal outcome for shareholders that tendered their shares. The Company has therefore determined that setting the minimum number of shares to be purchased to ensure that the Offeror owns 53.22% of the voting rights after the First Tender Offer is not problematic and that, as with the previous assessment, there are no factors warranting a revision to the opinion regarding the First Tender Offer as of August 8, 2024.

Accordingly, at the meeting of the Board of Directors held on September 4, 2024, the Company resolved to once again express an opinion in support of the First Tender Offer and to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the First Tender Offer. This resolution was adopted unanimously by all 11 directors who participated in the deliberations and voting, excluding Mr. Sakashita, out of the Company's total of 12 directors. Mr. Sakashita has a familial relationship by marriage with the Founding Family Shareholders, and based on an agreement between Bain Capital and the Founding Family Shareholders, it might be judged that Mr. Sakashita has a special interest in both the First Tender Offer proposed by the Offeror and the privatization transaction proposed by Bain Capital. As such, since September 2, 2024, when the potential for that special interest became apparent, Mr. Sakashita has not participated in any consideration related to the Transactions and discussions or negotiations with the Offeror from the Company's side, in order to avoid any potential conflict of interest and to ensure the fairness of the Transactions. The examination framework for the Transactions that was established within the Company (including the scope of the Company officers involved in the review, negotiations, and decision-making for the Transactions) was established based on advice from Shiomizaka, an independent law firm, and has been approved by the Special Committee to ensure there are no issues regarding independence and fairness.

Additionally, the meeting of the Board of Directors held on August 8, 2024 and the meeting of the Board of Directors held on September 4, 2024 were attended by three company auditors of the Company, and all company auditors who attended stated their opinion that they have no objection to passing the above resolution.

Following that, in connection with the decision by the Offeror on September 19, 2024 to remove the minimum number of shares to be purchased in the First Tender Offer and to commence the Second Tender Offer as soon as practicably possible after the First Tender Offer is completed and settlement is completed, the Company carefully reexamined and discussed the terms of the First Tender Offer while respecting to the utmost the contents of the opinion dated September 24, 2024 received from the Special Committee (for the specific content of that opinion, see "(d) Establishment of an Independent Special Committee by the Company and Obtaining a Report from the Special Committee" in "(6) Measures to Ensure Fairness in the Tender Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" in the September 26, 2024 Company Press Release).

As a result, given that there are no circumstances where it would be judged that the above amendments to the tender offer terms would impair the fairness of the procedures, the Board of Directors passed a resolution on September 26, 2024 under Article 370 of the Companies Act (written resolution in lieu of a resolution of a board of directors meeting) to continue to express an opinion in support of the First Tender Offer and to continue to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the First Tender Offer.

Following that, after receiving the October 11, 2024 Bain Capital Proposal from Bain Capital on October 11, 2024 and in light of the announcement by Bain Capital of the October 11, 2024 Bain Capital Press Release on October 11, 2024, the Company resolved at a meeting of the Board of Directors held on October 18, 2024, for the reasons described in "(iii) Content of Decision" in "(c) Process and Reasons for the Decision-Making of the Company" in "(2) Grounds and Reasons for Opinion" above to maintain its opinion in support of the First Tender Offer and its recommendation for the Company's shareholders and Stock Acquisition Rights Holders to tender their Company Share Certificates in the First Tender Offer. Furthermore, while the Company continues to recommend that its shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the First Tender Offer by the Offeror, the Company also resolved to state that it would be reasonable for the Company's shareholders and Stock Acquisition Rights Holders, in consideration of Bain Capital's proposal, to choose not to tender their Company Share Certificates in the First Tender Offer by the Offeror and instead, based on the outcome of Bain Capital's proposal, consider tendering in the Second Tender Offer by the Offeror. This resolution was approved by a majority of the 11 directors who participated in the vote, except Mr. Sakashita, who did not participate in the discussions or the resolution. Note that all the 11 directors, excluding Mr. Sakashita, who did not participate in the discussions or the resolution, were in favor of continuing to express support for the First Tender Offer.

The opinions of the four directors who did not agree with the resolution at the above meeting of the Board of Directors held on October 18, 2024 regarding the recommendation to tender the Company Share Certificates are as follows.

- Although the Company continues to maintain its opinion in support of the First Tender Offer, the tender offer price of the First Tender Offer is 8,800 yen per common share, 1,067,000 yen per Fifth Series Stock Acquisition Right, 929,600 yen per Sixth Series Stock Acquisition Right, and 228,100 yen per Seventh Series Stock Acquisition Right. In contrast, the October 11, 2024 Bain Capital Proposal offers a price of 9,450 yen per common share, 1,197,000 yen per Fifth Series Stock Acquisition Right, 1,059,600 yen per Sixth Series Stock Acquisition Right, and 293,100 yen per Seventh Series Stock Acquisition Right. The Company and the Special Committee confirmed with the Offeror whether there were any plans to amend the terms of the First Tender Offer, but as of October 18, 2024, the Offeror has not indicated any such plans. In light of this, and from the perspective of making the recommendation clearer for the Company's shareholders and Stock Acquisition Rights Holders, the Company has decided to withdraw its recommendation to tender in the First Tender Offer and to express a more neutral stance, leaving the decision of whether to tender in the First Tender Offer to the discretion of the Company's shareholders and Stock Acquisition Rights Holders. Given that difference in opinion regarding how to express the stance on whether to recommend tendering the Company Share Certificates in the First Tender Offer, we are unable to agree with the resolution.

Further, as of October 18, 2024, the Company believes that Bain Capital's proposal is a bona fide offer and will continue to review that proposal. As of October 18, 2024, the Board of Directors has not yet made a decision on its opinion regarding the Second Tender Offer by the Offeror and the tender offer by Bain Capital and it plans to determine its opinion upon the commencement of each tender offer.

Additionally, three company auditors of the Company stated their opinion that they have no objection to the above resolution passed on September 26, 2024 under Article 370 of the Companies Act (written resolution in lieu of a resolution of a board of directors meeting). Further, the above meeting of the Board of Directors held on October 18, 2024 was attended by three company auditors of the Company, and all company auditors who attended stated their opinion that they have no objection to passing the above resolution.

Following that, on November 15, 2024, the Company's Board of Directors received a proposal from the Offeror stating that,

in addition to the increase in the Tender Offer Price, and subject to expressing an opinion in support of the Second Tender Offer and recommending that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer, as well as other conditions, the Second Tender Offer would be initiated as soon as practicable. At the meeting of the Board of Directors of the Company held on November 15, 2024, after careful and sincere consideration of the Second Tender Offer while giving the utmost respect to the content of the November 15 Opinion, in light of the above points, the Company resolved with the unanimous approval of all directors except for Mr. Sakashita, who did not participate in the deliberations or voting, to express an opinion in support of the Second Tender Offer and to recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer.

- (A) The Tender Offer Price is the highest price among the legally binding proposals submitted by multiple PE funds and exceeds the tender offer price of JPY 9,450 presented in the October 11, 2024 Bain Capital Proposal, which was submitted after the Company informed Bain Capital that it expected a proposal with the highest possible price.
- (B) The Tender Offer Price was agreed upon by the Company after measures were taken to ensure the fairness of the conditions of the Transactions including the Tender Offer Price as stated in "(6) Measures to Ensure Fairness in the Tender Offers such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest," and with the involvement of the Special Committee.
- (C) The Tender Offer Price exceeds the valuation range of the Company Shares calculated by the market price method and the comparable company method, as indicated in the Share Valuation Report (SMBC Nikko Securities) mentioned in "(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser" in "(3) Matters Concerning Valuation" above. Further, the price falls within the valuation range calculated using the DCF Analysis (as defined in "(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser" in "(3) Matters Concerning Valuation" above).
- (D) The Tender Offer Price and the other conditions of the Second Tender Offer are considered reasonable as indicated in the November 15 Opinion obtained from the Special Committee.
- (E) In the Transactions, the money to be delivered to the shareholders as consideration upon the consolidation of shares is to be calculated to equal the Tender Offer Price multiplied by the number of shares owned by each shareholder (excluding the Company). This arrangement ensures that the general shareholders have an opportunity to make an appropriate decision on whether to tender their shares in the Second Tender Offer, thereby preventing any undue pressure.

Further, the Company received the November 18 Opinion from the Special Committee on November 18, 2024 and was notified by the Offeror today that the Second Tender Offer will be conducted during a tender offer period from November 20, 2024 to December 19, 2024, and in light of that, at the meeting of the Board of Directors held today, it was resolved with the unanimous approval of all directors except for Mr. Sakashita, who did not participate in the deliberations or voting, to continue expressing an opinion in support of the Second Tender Offer, to recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second Tender Offer.

Additionally, the meeting of the Board of Directors held on November 15, 2024 and the meeting of the Board of Directors held on November 19, 2024 were attended by three company auditors of the Company, and all company auditors who attended stated their opinion that they have no objection to passing the above resolution.

(viii) Measures to Ensure Other Offerors Have an Opportunity to Purchase the Company Shares

The Offeror has set the Second Tender Offer Period at 22 business days. However, if the period from September 19, 2024, when the plan to conduct the First Tender Offer was announced, to the commencement date of the Tender Offer is included, it

is effectively a period longer than the minimum period stipulated by law, and the Offeror believes there will be adequate opportunities for shareholders of the Company and the Stock Acquisition Right Holders to make appropriate judgments as to whether to tender in the Tender Offer, and opportunities for Proposers of Competing Acquisitions to engage in competing purchases and the like.

Furthermore, as described in “(b) Background, Purpose, and Decision-Making Process Leading to the Offeror’s Decision to Conduct the Tender Offers and Management Policy Following the Tender Offers” in “(2) Grounds and Reasons for Opinion” above, the Company started the Company Information Provision Process in August 2023, and by comparing and examining measures to enhance corporate value to be realized through privatizing the Company Shares, which were provided by multiple candidates, including KKR, with measures to enhance corporate value that the Company is expected to realize as a listed company, the Company concluded that the measures to enhance corporate value to be realized through privatizing the Company Shares are more desirable from the perspective of securing and enhancing its corporate value and, ultimately, the common interests of its shareholders. Since the commencement of the 3DIP Process and Company Information Provision Process, while maintaining a certain level of competition and continuing discussions and interviews with multiple candidates, the Company received multiple proposals for privatization, and compared these proposals. As a result the Company decided to commence discussions and deliberations with KKR, whose proposal was best, towards the implementation of the Transaction (including negotiations on the First Tender Offer Price), and after ongoing discussions and negotiations, KKR was selected as the final candidate. The Company received information on measures to improve corporate value, and at least one privatization proposal from all candidates that participated in the Company Information Provision Process. Further, according to the disclosure document titled “Notice Regarding the Status of Consideration of Measures to Enhance Corporate Value” published January 12, 2024, it is public knowledge that the Company has received proposals to be taken private from several PE funds and is considering the details of such proposals, and until today, there has been ample opportunity and time for potential acquirers interested in taking the Company private to make proposals. Because an expiration date was set for the KKR Proposal, proactive market checks are not necessarily the best option from the perspective of securing and improving corporate value and the common interests of shareholders, in that it raises concerns that the KKR Proposal may expire. Therefore, the Offeror believes that careful consideration to secure and improve corporate value and the common interests of shareholders and substantial and proactive market checks have been performed over a sufficient period of time. Based on these factors, the Offeror believes there are sufficient opportunities for persons other than the Offeror to purchase the Company Securities.

(ix) Elimination of Coercion

As described in “(5) Policy on Organizational Restructuring After the Tender Offers (Matters Relating to the So-Called Two-Step Acquisition)” below, (i) promptly after completion of settlement of the Tender Offer, the Offeror plans to request that the Company perform the Share Consolidation (as defined in “(5) Policy on Organizational Restructuring After the Tender Offer (Matters Relating to the So-Called Two-Step Acquisition)”) and plans to request that the Company hold an Extraordinary General Shareholders Meeting (as defined in “(5) Policy on Organizational Restructuring After the Tender Offer (Matters Relating to the So-Called Two-Step Acquisition)”), which is to include a proposal about a partial amendment to the Company’s Articles of Incorporation whereby the provision concerning the number of shares that constitute one unit shall be abolished subject to effectuation of the Share Consolidation, and the Offeror will not adopt a method that does not secure the right of shareholders of the Company to demand price determinations, and (ii) it is declared that, when the Share Consolidation is performed, the amount of money that will be delivered to each shareholder of the Company will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares possessed by each such shareholder (excluding the Offeror and the Company). As a result of these measures, the Company’s shareholders will have the opportunity to make appropriate judgments as to whether to tender in the Tender Offer, thereby ensuring that there is no coercion.

Not applicable

5. Details of Provision of Benefits from the Offeror or a Special Related Party of the Offeror

Not applicable

6. Response Policy with respect to Basic Policy Related to Corporate Control of Company

Not applicable

7. Questions to the Offeror

Not applicable

8. Request for Postponement of Tender Offer Period

Not applicable

9. Future Outlook

See “(b) Background, Purpose, and Decision-Making Process Leading to the Offeror’s Decision to Conduct the Tender Offers and Management Policy Following the Tender Offers” in “(2) Grounds and Reasons for Opinion,” “(4) Expected Delisting and Reasons Therefor,” and “(5) Policy on Organizational Restructuring After the Tender Offers (Matters Relating to the So-Called Two-Step Acquisition)” in “3. Details, Grounds and Reasons for the Opinion on the Second Tender Offer” above.

10. Matters Concerning Transactions with Controlling Shareholders

Not applicable

11. Other Matters

(1) At the Board of Directors meeting held on August 8, 2024, the Company resolved to revise the dividend forecast for the fiscal year ending December 2024 announced on February 14, 2024, not to pay the year-end dividend with a record date of December 31, 2024, and to abolish the shareholder benefit plan from the fiscal year ending December 2024 subject to the successful completion of the Tender Offers. For details, see the “Notice on Revision of Dividend Forecast for the Fiscal Year Ending December 31, 2024 (No Dividend) and Abolition of the Shareholder Benefit Program” which was announced on August 8, 2024.

(2) Other Matters

- The purpose of this press release is to publicly announce the Second Tender Offer and it has not been prepared for the purpose of soliciting an offer to sell or purchase in the Second Tender Offer. When making an application to tender, please be sure to read the Tender Offer Explanatory Statement for the Second Tender Offer and make your own decision as a shareholder or Stock Acquisition Right Holder. This Press Release does not constitute, either in whole or in part, a solicitation of an offer to sell or purchase any securities, and the existence of this press release (or any part thereof) or its distribution shall not be construed as a basis for any agreement regarding the Second Tender Offer, nor shall it be relied upon in concluding an agreement regarding the Second Tender Offer.
- The common shares and Stock Acquisition Rights of the Company, a company incorporated in Japan, are subject to the Second Tender Offer. The Second Tender Offer will be conducted in compliance with the procedures and information disclosure standards set forth in Japanese law, and those procedures and standards are not always the same as the procedures and information disclosure standards in the U.S. In particular, neither sections 13(e) or 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; the same shall apply hereinafter) or the rules under these sections apply to the Second Tender Offer;

and therefore the Second Tender Offer is not conducted in accordance with those procedures and standards. All of the financial information included in this press release is based on Japanese GAAP, which may differ significantly from GAAP in the U.S. and other countries. In addition, because the Offeror is a corporation incorporated outside the U.S. and some or all of its officers are non U.S. residents, it may be difficult to exercise rights or demands against them that can be asserted based on U.S. securities laws. It also may be impossible to initiate an action against a corporation that is based outside of the U.S. or its officers in a court outside of the U.S. on the grounds of a violation of U.S. securities-related laws. Furthermore, there is no guarantee that a corporation that is based outside of the U.S. or its affiliates may be compelled to submit themselves to the jurisdiction of a U.S. court. Unless otherwise specified, all procedures relating to the Second Tender Offer are to be conducted entirely in Japanese. All or a part of the documentation relating to the Second Tender Offer will be prepared in English; however, if there is any discrepancy between the English-language documents and the Japanese-language documents, the Japanese-language documents shall prevail.

- This press release includes statements that fall under “forward-looking statements” as defined in section 27A of the U.S. Securities Act of 1933 (as amended) and section 21E of the Securities Exchange Act of 1934. Due to known or unknown risks, uncertainties or other factors, actual results may differ materially from the predictions indicated by the statements that are implicitly or explicitly forward-looking statements. Neither the Company, the Offeror nor any of its affiliates guarantee that the predictions indicated by the statements that are implicitly or expressly forward-looking statements will materialize. The forward-looking statements in this press release were prepared based on information held by the Company and the Offeror as of today, and the Company, the Offeror and its affiliates shall not be obliged to amend or revise such statements to reflect future events or circumstances, except as required by laws and regulations.
- The Offeror, its financial advisors and the tender offer agent (and their respective affiliates) may purchase the common shares and Stock Acquisition Rights of the Company, by means other than the Second Tender Offer, or conduct an act aimed at such purchases, for their own account or for their client’s accounts, including in the scope of their ordinary business, to the extent permitted under financial instrument exchange-related laws and regulations, and any other applicable laws and regulations in Japan, in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934 during the Second Tender Offer Period. Such purchases may be conducted at the market price through market transactions or at a price determined by negotiations off-market. In the event that information regarding such purchases is disclosed in Japan, such information will also be disclosed on the English website of the person conducting such purchases (or by any other method of public disclosure).
- If a shareholder exercises its right to demand the purchase of shares of less than one unit in accordance with the Companies Act, the Company may buy back its own shares during the Second Tender Offer Period in accordance with the procedures required by laws and regulations.

-End-

#### (Reference) Outline of the Tender Offer

For an overview of the Second Tender Offer, see the “Notice Regarding the Commencement of the Tender Offer for Fuji Soft Incorporated (Securities Code: 9749) by FK Co., Ltd.” published by the Offeror on the date of this Press Release.

November 18, 2024

To the Board of Directors of FUJI SOFT INCORPORATED

## Report

Special Committee of FUJI SOFT INCORPORATED

Chairman                      Hikari Imai

Member:                      Tomoko Aramaki

Member:                      Takao Tsuji

Member:                      Hidetaka Nishina

Member:                      Yuya Shimizu

Member:                      Shintaro Ishimaru

The Special Committee (the “**Committee**”) states its opinion as follows with respect to the KKR Second Tender Offer and the Bain Capital Tender Offer (each as defined in Section 2 of Part I below; hereinafter the same) in response to the consultation matters resolved at the meeting of the Board of Directors held on August 5, 2024 (See Section 1 of Part I below; the “**Consultation Matters.**” This report is hereinafter referred to as this “**Report.**”).

Please note that, unless otherwise indicated, the terms used in this Report are the same as those used in the reports and opinions previously submitted by the Committee, which are the report dated August 7, 2024 (the “**August 7 Report**”), the additional report dated September 4, 2024 (the “**September 4 Additional Report**”), the additional opinion dated September 24, 2024 (the “**September 24 Additional Opinion**”), and the additional opinion dated the October 15, 2024 (the “**October 15 Additional Opinion**”).



## **Part I. Consultation Matters and Background Leading to this Report and Other Details**

### **1. Consultation Matters**

The Company consulted with the Committee with respect to the following Consultation Matters in accordance with the resolution adopted at the meeting of the Board of Directors held on August 5, 2024.

- (a) Whether the Committee will recommend to the Board of Directors that the Company execute the transaction to take the Company's common stock private (the "**Transaction**") through the relevant tender offer for the common stock and stock acquisition rights of the Company (the "**Tender Offer**") and a set of procedures subsequent to the Tender Offer, including the Committee's recommendations whether the Company support the Tender Offer and whether the Company recommend that the shareholders and stock acquisition rights holders of the Company tender their shares in the Tender Offer.
- (b) Whether the decision to be made by the Board of Directors of the Company to execute the Transaction will be disadvantageous to the minority shareholders of the Company.

When reviewing the Consultation Matters, the Committee was to (i) review and determine whether the execution of the Transaction would contribute to enhancing the Company's corporate value and (ii) review and determine the reasonableness of the terms of the Transaction and the fairness of the procedures from the perspective of protecting the interests of the Company's minority shareholders.

### **2. Status of the Company**

The following is a summary of the current status of the Company and the proposals made by KKR and Bain Capital on which this Report is based.

- (1) On August 8, 2024, in light of the August 7 Report, the Company expressed its opinion that the Company supports the planned commencement of the tender offer made by KKR (the "**KKR Proposal**"), the purpose of which is to take the Company private at 8,800 yen per share, and that shareholders should be encouraged to tender their shares in the KKR's tender offer. This caused the status of the Company to fall under "When the Board of Directors Decides on a Direction toward Reaching Agreement of an Acquisition" discussed in the Guidelines for Corporate Takeovers published by the Ministry of Economy, Trade and Industry on August 31, 2023 (the "**METI Guidelines**").
- (2) Since August 23, 2024, in light of the Committee's August 20, 2024 Opinion, the Company

- has disclosed to Bain Capital, upon Bain Capital's request, information equivalent to that which the Company has disclosed to PE funds, including KKR.
- (3) On September 4, 2024, in light of the September 4 Additional Report, the Company expressed its opinion that the Company supports KKR's tender offer and that shareholders should be encouraged to tender their shares in the tender offer, and based on that opinion, KKR commenced the tender offer.
  - (4) On September 19, 2024, KKR amended the terms of the tender offer to eliminate the minimum number of shares to be purchased in the tender offer (the tender offer by KKR after the amendment of the terms is hereinafter referred to as the "**KKR First Tender Offer**"). On September 26, 2024, in light of the September 24 Additional Opinion, the Company expressed its opinion that it supports the KKR First Tender Offer and that shareholders should be encouraged to tender their shares in the KKR First Tender Offer.
  - (5) On October 11, 2024, Bain Capital submitted to the Company a legally binding proposal for a tender offer (the "**Bain Capital Proposal**"), the purpose of which is to take the Company private at 9,450 yen per share (the "**Bain Capital Proposed Price**") without setting the number of shares to be purchased in the tender offer, and Bain Capital made a public disclosure of the planned commencement of the tender offer (the "**Bain Capital Tender Offer**").
  - (6) On October 18, 2024, in light of the October 15 Additional Opinion submitted in response to the Bain Capital Proposal, the Company maintained its opinion that it supports the KKR First Tender Offer and that shareholders should be encouraged to tender their shares in the KKR First Tender Offer. At the same time, the Company added that (i) taking into consideration the existence of the Bain Capital Proposal, it is reasonable for the Company's shareholders and other securities holders to choose not to tender their shares in the KKR First Tender Offer and instead to wait and see the progress of the Bain Capital Proposal, and to choose to tender their shares in KKR's second tender offer (the "**KKR Second Tender Offer**"), and that (ii) the Company understands that the Bain Capital Offer is a "bona fide offer" and will continue to consider it. On October 21, 2024, in light of the Company's opinion referred to above, KKR extended the tender offer period of the KKR First Tender Offer to November 5, 2024.

- (7) On November 5, 2024, the tender offer period of the KKR First Tender Offer expired. KKR acquired 34.01 % (as the percentage of voting rights held<sup>1</sup>) of the Company's shares.
- (8) On November 15, KKR informed the Company that KKR would increase the purchase price for the KKR Second Tender Offer from 8,800 yen to 9,451 yen (the "**KKR Proposed Price**").
- (9) Based on the facts and events described above, the KKR Proposal and the Bain Capital Proposal, which are currently being considered by the Company, are summarized as follows.
- The purpose of the KKR Proposal is to enable KKR to take the Company private on its own through the acquisition of all of the Company's shares, approximately 34% of which have already been acquired by KKR.
  - The purpose of the Bain Capital Proposal is to ultimately enable Bain Capital to take the Company private on its own by acquiring all of the Company's shares; however, although Bain Capital has already secured 11,691,882 shares (approx. 18.57% as the percentage of voting rights held) held by the Founding Family Shareholders, KKR already holds approximately 34% of the Company's shares and it is difficult for Bain Capital to take the Company private on its own unless KKR agrees to sell out those shares to Bain Capital, and the Bain Capital Proposal allows both Bain Capital and KKR to coexist as major shareholders of the Company after the consummation of the Bain Capital Tender Offer. Therefore, the Bain Capital Tender Offer has the aspect that it can turn out to be so-called partial acquisition.
  - In terms of the price, the KKR Proposed Price is higher than the Bain Capital Proposed Price.
  - In terms of corporate value, if the Bain Capital Tender Offer is consummated, Bain Capital and KKR will coexist as major shareholders of the Company, which may lead to a deadlock between them, resulting in a concern that the Company's corporate value may be damaged.
- (10) The current mix of shareholders of the Company with different value standards has caused the Company to expend a great deal of effort in dealing with this transaction. In addition, some of the shareholders of the Company are confused and there is a concern that this confusion will be widespread even further. This situation is causing a concern that it may hinder the steady

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<sup>1</sup> The "percentage of voting rights held" refers to the ratio of the voting rights held by the relevant entity to the number of the voting rights (629,710) exercisable with the number of shares (62,971,075 shares), which is calculated using the following formula: (i) 67,400,000 shares, the issued shares of the Company as of June 30, 2024, which is stated in the *Summary of Semi-annual Consolidated Financial Results for the First Half of the Fiscal Year Ending December 31, 2024 (Japanese Accounting Standards)* submitted by the Company on August 8, 2024, minus (ii) 4,428,925 shares, the treasury shares held by the Company as of June 30, 2024.

implementation of the Mid-term Business Plan 2028 announced by the Company on February 14, 2024 (the “**Medium-Term Management Plan 2028**”) and the realization of the corporate value enhancement within the period of the plan, thereby causing continuous damage to the Company’s corporate value.

### **3. Activities of the Committee**

There are no changes to the members who constitute the Committee.

The activities of the Committee after the submission of the October 15 Additional Opinion are as follows.

- (1) In connection with the KKR Second Tender Offer, the Committee took the following actions.
  - ① The Committee sent a letter of questions to KKR once regarding KKR’s response to the Bain Capital Proposal and received the answers to those questions from KKR.
  - ② The Committee asked KKR and confirmed KKR’s intention to increase the purchase price for the KKR Second Tender Offer.
  - ③ The Committee held three meetings with KKR to discuss the terms and other details of the KKR Second Tender Offer.
  - ④ The Committee obtained from KKR and reviewed a legal opinion provided to KKR by KKR’s legal advisor.
- (2) In connection with the Bain Capital Tender Offer, the Committee took the following actions.
  - ① The Committee sent a letter of questions to the Bain Capital three times each, regarding Bain Capital Tender Offer and received the answers to those questions from Bain Capital.
  - ② The Committee held three meetings with Bain Capital to discuss matters which are summarized as follows:
    - Feasibility and reasonableness, and related issues (such as deadlocks and other risks) of the corporate value enhancement measures in the Bain Capital Proposal if the Bain Capital Tender Offer turns out to be partial acquisition;
    - The issue of coercion that may arise if the Bain Capital Tender Offer turns out to be partial acquisition; and
    - Terms and other details of the Bain Capital Tender Offer.
  - ③ The Committee obtained from Bain Capital and reviewed a legal opinion provided to Bain Capital by Bain Capital’s legal advisor regarding coercion of the Bain Capital Tender

Offer.

- (3) The Committee held a total of five liaison meetings with the Company's executives, where the Company's executives shared with the Committee information on this transaction in a timely manner, while the Committee provided the Company's executives with the progress of the Committee's deliberation and gave necessary instructions to the Company's executives.
- (4) The Committee carefully discussed the related issues at a total of nine meetings held in a timely manner, taking into account the information obtained through the above-mentioned activities, while receiving expert advice from the advisers engaged by the Committee.

## **Part II. Content of the Opinion**

### **1. Regarding the KKR Second Tender Offer**

- (a) The Committee recommends that the Board of Directors express its opinion that the Company supports the KKR Second Tender Offer and that the shareholders and stock acquisition right holders of the Company should be encouraged to tender their shares in the KKR Second Tender Offer, on the basis of the facts that (i) the KKR Proposal aims to enable KKR to take the Company private on its own through the acquisition of all of the Company's shares and this will contribute to enhancing the Company's corporate value, and (ii) in terms of the purchase price, the KKR Second Tender Offer is more advantageous than the Bain Capital Tender Offer.
- (b) The decision to be made by the Board of Directors of the Company to execute the Transaction through the KKR Second Tender Offer will *not* be disadvantageous to the minority shareholders of the Company.

### **2. Regarding the Bain Capital Tender Offer**

- (a) The Committee recommends the Board of Directors express its opinion that the Company opposes the Bain Capital Tender Offer on the basis of the facts that (i) doubts remain as to enhancement of the corporate value because the Bain Capital Tender Offer involves the risk of a deadlock among other risks due to possible coexistence of major shareholders and also the Bain Capital Tender Offer does not have sufficient measures to deal with coercion, thus the Bain Capital Tender Offer is inferior to the KKR Tender Offer in terms of enhancement of the corporate value and the fairness of procedures; (ii) in terms of the price, the Bain Capital Tender Offer is not superior to the KKR Tender Offer in any respect; and (iii) the Committee believes that, if the Company chooses to support the KKR Tender Offer, which is superior in the respects

discussed above, and establishes earlier an environment in which the Company can push itself forward to achieve the Medium-Term Management Plan 2028, this will further contribute to enhancing the corporate value.

- (b) The Committee recommends that the Board of Directors express its opinion that the Company opposes the Bain Capital Tender Offer, and thus the Committee expects that the Company will not make a decision regarding the execution of the Transaction by way of the Bain Capital Tender Offer and the Bain Capital Tender Offer will not be commenced.

### **3. Additional Statement to the Bain Capital Tender Offer and the Company's Future Actions**

As the reasons for the recommendation (a) (iii) above, the current mix of shareholders of the Company with different value standards has caused the Company to expend a great deal of effort in dealing with this transaction. In addition, some of the shareholders of the Company are confused and there is a concern that this confusion will be widespread even further. Now that the KKR Proposed Price has been raised to 9,451 yen, it is most important to promptly and definitively resolve such a situation and create an environment in which the Company is able to focus on the steady implementation of the Medium-Term Management Plan 2028 in order to resolve at the earliest possible time the concern that the Company's corporate value will be damaged. From this perspective, among others, the Committee believes that it is desirable that the Company take a clear and definitive position in opposition to the Bain Proposal.

Furthermore, the Committee states an opinion that, in order to resolve such a situation as discussed above, the Board of Directors should not to negotiate with Bain Capital to further increase the Bain Capital Proposed Price. The Committee also states an opinion the Board of Directors to demand that Bain Capital destroy all of the confidential information that the Company has disclosed to the Company in accordance with the non-disclosure agreement between the Bain Capital and the Company.

## **Part III. Reasons of the Opinion (Supports KKR Proposal and Recommends Tendering Shares)**

### **1. Regarding the Enhancement of Corporate Value**

The KKR Proposal aims to enable KKR to take the Company private on its own through the acquisition of all of the Company's shares, approximately 34% of which have already been acquired by KKR.

As the Committee stated in the August 7 Report, this proposal will secure a stable shareholder composition and push the Company forward to realize the Medium-Term Management Plan 2028, thereby enhancing the viability of the Medium-Term Management Plan 2028 and increasing the

certainty of achieving the goals of the plan, and the Committee does not change its evaluation that this proposal will contribute to the enhancement of the Company's corporate value. In the course of the facts that have occurred since August 7, 2024, there are no facts that would affect the above-stated facts or the results of the Committee's deliberation.

Accordingly, the Committee believes that the KKR Second Tender Offer will contribute to the enhancement of the corporate value.

## **2. Regarding the Reasonableness of the Terms**

The facts and the results of the Committee's deliberation concerning the reasonableness of the terms described in the August 7 Report (including the process of discussion and negotiation with the Offeror concerning the terms and conditions of the transaction, the obtaining of the fairness opinion, the relationship with the calculation results of the share value assessment reports, and the relationship with the premium level generally granted in similar transactions) are also applicable to the KKR Second Tender Offer.

Although the Bain Capital Proposal was submitted after the submission of the August 7 Report, it does not change the aforementioned past facts and does not affect the reasonableness of the KKR Proposed Price as the terms of the transaction (sufficiency as a price). No other circumstances have arisen that would contradict or cast doubt on the facts and the results of the Committee's deliberation as identified or stated in the August 7 Report.

After the Bain Capital Proposal was submitted, in order to fulfill its reasonable efforts to secure the interests of shareholders, the Committee, through the Company's executives, asked KKR and confirmed KKR's intention to increase the purchase price.

As a result, KKR raised the KKR Proposed Price from 8,800 yen to 9,451 yen, making the KKR Proposed Price higher than the Bain Capital Proposed Price. This fact constitutes a factor that reinforces the reasonableness of the KKR Proposal Price itself as the terms of the transaction, even more so than at the time of the August 7 Report.

Accordingly, the Committee believes that the KKR Second Tender Offer ensures the reasonableness of the terms of the transaction.

### **3. Regarding the Fairness of the Procedures**

#### **(1) Regarding the Procedures Discussed in the August 7 Report**

The facts and the results of the Committee's deliberation concerning the fairness of the procedures described in the August 7 Report (including the establishment of the Committee, appointment of independent experts, ensuring a competitive environment equivalent to a "proactive market check," decision-making process within the Company, provision of information to general shareholders, and elimination of coercion) are also applicable to the KKR Second Tender Offer.

#### **(2) Regarding the Change of the Structure of the First KKR Tender Offer**

As stated in the September 24 Additional Opinion, at the time of the change of the structure, the Committee was not aware of any circumstances that would cause the fairness of the procedures for the KKR First Tender Offer to be lost.

#### **(3) Regarding the Coercion of the KKR Second Tender Offer**

KKR Second Tender Offer is a two-step entire acquisition for cash consideration using a tender offer and a share consolidation, and KKR intends to execute the squeeze-out procedure promptly after the KKR Second Tender Offer is consummated. Generally, this method of entire acquisition is evaluated to be less coercive.

The minimum number of shares to be purchased in the KKR Second Tender Offer is going to be set at 19.27% (as the percentage of voting rights held). This percentage, combined with the percentage of the voting rights held by passive index funds and similar institutions, constitutes the lower limit at which a resolution in favor of the squeeze-out is expected to be passed if such funds exercise their voting rights in favor of the squeeze-out. There is no problem in setting this lower limit as stated in the September 4 Additional Report.

#### **(4) Regarding the "Market Check" after the Submission of Bain Capital Proposal**

In this transaction, even at the time of the commencement of KKR's original tender offer, it was already definitively agreed that 3DIP and Farallon would sell their 20,667,670 shares (approx. 33%) to KKR. The structure of the original offer was changed into the one that constitutes the



KKR First Tender Offer and the KKR Second Tender Offer was consummated, thereby causing the KKR Second Tender Offer to change as if its structure is now similar to a takeover by a controlling shareholder.

In such a takeover as above where the acquirer is the controlling shareholder, the “market checks” would function as a measure to ensure the fairness of the takeover only in limited situations. Therefore, it is understood that implementing the “market checks” in such a takeover is largely ineffective.

Even under these circumstances, in order to ensure that the “market check” would work, the Committee took the utmost care by taking the additional measures for the Bain Capital Proposal as follows.

- At the request of Bain Capital, the Committee agreed that Bain Capital would conduct due diligence.
- The Committee requested that KKR set the tender offer period for the KKR First Tender Offer at 30 business days.
- The Committee conducted the activities described above in the “Activities of the Committee” section and, based on the information obtained through those activities, the Committee compared and considered the KKR Proposal and the Bain Capital Proposal in a sincere manner.

As a result of the “market check” described above, (i) the Bain Capital Proposal was submitted, and (ii) the KKR Proposed Price was increased to an amount higher than the Bain Capital Proposed Price. Accordingly, it is apparent that the “market check” virtually worked.

(5) Regarding the Principle of Shareholders’ Intentions

As discussed later, the Committee now has an opinion against the Bain Capital Proposal, thus Bain Capital Proposal will never be commenced. KKR’s taking the Company private is the best option in terms of the enhancement of the corporate value, and it is reasonably expected that the shareholders hope to sell their shares at the highest possible price. Therefore, the Committee does not believe that this result is contrary to the shareholders’ reasonable intentions, and there are no circumstances that would violate the principle of shareholders’ intentions.

(6) Short Summary

Accordingly, the Committee believes that the KKR Second Tender Offer ensures the fairness of

procedures.

#### **4. Conclusion**

- (1) Whether the Committee will recommend to the Board of Directors that the Company execute the Transaction to take the Company's common stock private through the KKR Second Tender Offer, including the Committee's recommendations whether the Company support the KKR Second Tender Offer and whether the Company recommend that the shareholders and stock acquisition rights holders of the Company tender their shares in the KKR Second Tender Offer (Consultation Matter (a))**

The Committee recommends that the Board of Directors express its opinion that the Company supports the KKR Second Tender Offer and that the shareholders and stock acquisition right holders of the Company should be encouraged to tender their shares in the KKR Second Tender Offer, on the basis of the facts that (i) the KKR Proposal aims to enable KKR to take the Company private on its own through the acquisition of all of the Company's shares and this will contribute to enhancing the Company's corporate value, and (ii) in terms of the purchase price, the KKR Second Tender Offer is more advantageous than the Bain Capital Tender Offer.

- (2) Whether the decision to be made by the Board of Directors of the Company to execute the Transaction through the KKR Second Tender Offer will be disadvantageous to the minority shareholders of the Company (Consultation Matter (b))**

As discussed in detail earlier in this Report, the Committee understands that there is no problem about the KKR Second Tender Offer in terms of enhancement of the corporate value, reasonableness of the terms of the Transaction, and the fairness of procedures.

Accordingly, the Committee believes that the decision to be made by the Board of Directors of the Company to execute the Transaction through the KKR Second Tender Offer will *not* be disadvantageous to the minority shareholders of the Company.

#### **Part IV. Reasons of the Opinion (Opposes Bain Capital Proposal)**

##### **1. Regarding the Enhancement of Corporate Value**

The Bain Capital Proposal aims to ultimately enable Bain Capital to take the Company private on its own by acquiring all of the Company's shares. However, in terms of enhancement of corporate value, there are following concerns about the Bain Capital Proposal and the possibility that the Bain Capital Proposal will damage the Company's corporate value cannot be completely ruled out.

###### **(1) Concerns about the Bain Capital Proposal and the Committee's View**

###### **① Concerns about the Bain Capital Proposal**

With respect to the Bain Capital Proposal, KKR already holds approximately 34% of the Company's shares and it is difficult for Bain Capital to take the Company private on its own unless KKR agrees to sell out those shares to Bain Capital, and the Bain Capital Proposal allows both Bain Capital and KKR to coexist as major shareholders of the Company after the consummation of the Bain Capital Tender Offer.

Therefore, if Bain Capital and KKR were to disagree when making the Company's decisions, a so-called deadlock would occur, which would create the following risks: (i) a risk that the Company would not be able to achieve inorganic growth because the Company would not be able to make important decisions such as those requiring shareholders' special resolution, and (ii) a risk that the Company would not be able to make decisions in a prompt manner.

###### **② The Committee's Evaluation**

It is apparent that the risks described above are risks that could, at least qualitatively, hinder the enhancement of the Company's corporate value in light of the fact that, under the corporate value criterion adopted by the METI Guidelines (the view that the desirability of a takeover of a company should essentially be judged on the basis of the corporate value of that company), the Company has reasonable discretion in judgments involving the enhancement of its corporate value.

In this regard, the Committee repeatedly asked Bain Capital about its policy for dealing with these risks. According to Bain Capital, Bain Capital has already secured 11,691,882 shares (approx. 18.57% as the percentage of voting rights held) held by the Founding Family Shareholders and the Bain Capital believes that, as a result of the Bain Capital Tender Offer,

Bain Capital will be able to secure a majority of the shares as a percentage of voting rights. Bain Capital also answered that this would enable the Company to make decisions in a prompt manner, except for those requiring shareholders' special resolution.

Despite those explanations, however, the Committee points out that, in terms of enhancement of corporate value, the Bain Capital Proposal has the following problems:

- Since KKR already holds approximately 34% of the Company's shares, there is no change in the conclusion that the Company may not be able to make important decisions such as those requiring shareholders' special resolution. Bain Capital has not provided any specific measures to ensure that Bain Capital and KKR will agree or compromise in the event of a deadlock.
- If Bain Capital intends to secure the number of shares that accounts for a majority of the voting rights and take control of the Company, Bain Capital could have set the minimum number of shares to be purchased in the Bain Capital Tender Offer at the number of shares that accounts for a majority of the voting rights so as to eliminate as much as possible the concern that the corporate value would be damaged. However, Bain Capital has not taken any such specific measures (and as a result, now that the Bain Capital Proposed Price is lower than the KKR Proposed Price, it is uncertain that Bain Capital will actually be able to secure the above-stated number of shares through the Bain Capital Tender Offer).

Moreover, if a deadlock occurs and it becomes extremely difficult for the Company to operate properly, the possibility of a worst-case scenario would not be completely ruled out, where the Company would lose more customers, fail to win new projects very often, experience the decline in employees' motivation, or see more employees leave the Company.

## (2) Short Summary

As discussed above, the possibility that the Bain Capital Proposal will damage the Company's corporate value cannot be completely ruled out and doubts remain as to whether the Bain Capital Proposal will enhance the corporate value. When the Bain Capital Proposal is compared to the KKR Proposal, KKR Proposal is superior to Bain Capital Proposal in terms of enhancement of the corporate value.

## **2. Regarding the Fairness of the Procedures**

### **(1) Regarding the Concern about the Coercion**

KKR already holds approximately 34% of the Company's shares and, at the present time, KKR does not intend to tender its shares in the Bain Capital Tender Offer. Therefore, it is impossible for Bain Capital to acquire, by way of the Bain Capital Tender Offer, the number of shares necessary to carry out the squeeze-out procedure. Accordingly, the Bain Capital Tender Offer has the aspect that it can turn out to be so-called partial acquisition.

Coercion involves "an issue whereby shareholders of the target company are pressured to accept an acquisition against their will, where they anticipate disadvantages if an acquisition is completed while they do not accept, as compared to when they do accept the offer. When coercion exists, even if many shareholders believe that the purchase price is lower than the objective value of the shares, they feel forced to accept the offer" (the issue of coercion). It is understood that the issue of coercion involves, for example, the following concerns.

- Coercion conflicts with the principles of the takeover regulations, which is designed to ensure that the necessary information is disclosed to enable shareholders to make an informed and appropriate decision about the takeover bid and that shareholders are given a period of time to deliberate the takeover bid.
- The use of coercion by the acquirer can lead to even inefficient takeover that reduces the target company's corporate value.
- Even in a takeover that enhances the target company's corporate value, the use of coercion allows the acquirer to acquire the control of the target company at a lower price, thereby harming the efficiency of the market for the control of the target company.

### **(2) Regarding the Coercion of the Bain Capital Tender Offer**

#### **① Concerns about Bain Capital Tender Offer**

In this transaction, KKR already holds approximately 34% of the Company's shares and it is impossible for Bain Capital to take the Company private on its own unless KKR agrees to sell out those shares to Bain Capital, and thus the Bain Capital Proposal allows both Bain Capital and KKR to coexist as major shareholders of the Company.

Therefore, the Bain Capital Tender Offer involves the following concerns.

- The concern that the Company's corporate value will be damaged.
- The concern that the ratio of tradable shares of the Company will decline, which may violate the relevant stock exchange's listing criteria, and if the exchange ultimately decides to delist the Company, shareholders will miss the opportunity to sell their shares in the open market.
- The concern that the price of the Company's stock will fall due to the concerns discussed above.

② The Committee's Evaluation

As the premise, so-called partial acquisition is not a legally prohibited means of acquisition. Authorities merely request that the issue of coercion discussed above be solved.

In this regard, Bain Capital clearly states that, after the Bain Capital Tender Offer is done, Bain Capital will take measures, such as additional tender offers, to ensure that shareholders continue to have an opportunity to sell their shares. These measures are recognized as a practical means in Japan to eliminate or reduce coercion in transactions taking the target company private.

However, after having examined the Bain Capital Tender Offer, the Committee has no choice but to give the Bain Capital Tender Offer a critical evaluation that the Bain Capital Tender Offer does not have sufficient measures to deal with coercion, because:

- As discussed above, the Bain Capital Proposal cannot completely eliminate the risk that the Bain Capital Proposal will damage the Company's corporate value;
- Experts argue that coercion can be reduced by separating the shareholders' manifestation of approval or disapproval of the takeover from the shareholders' manifestation of intention to tender their shares, thereby confirming that a majority of shareholders are giving approval. Despite this expert argument, Bain Capital does not rely on it and fails to take measures to reduce coercion, such as setting the minimum number of shares to be purchased in the Bain Capital Tender Offer at a majority of the Company's shares; and
- Without KKR's consent, Bain Capital is not able to conduct a squeeze-out by way of a stock consolidation or other procedures stipulated in the Companies Act, and therefore shareholders of the Company are not guaranteed to have an opportunity to seek legal remedies by exercising the right to sell out its shares or filing a claim for court's determination of the share price.

(3) Short Summary

As discussed above, the Committee has no choice but to give the Bain Capital Tender Offer a critical evaluation that the Bain Capital Tender Offer does not have sufficient measures to deal with coercion. When the Bain Capital Proposal is compared to the KKR Proposal, KKR Proposal is superior to Bain Capital Proposal even in terms of fairness of procedures.

**3. Conclusion**

**(1) Whether the Committee will recommend to the Board of Directors that the Company execute the Transaction to take the Company's common stock private through the Bain Capital Tender Offer, including the Committee's recommendations whether the Company support the Bain Capital Tender Offer and whether the Company recommend that the shareholders and stock acquisition rights holders of the Company tender their shares in the Bain Capital Tender Offer (Consultation Matter (a))**

The Committee recommends the Board of Directors express its opinion that the Company opposes the Bain Capital Tender Offer on the basis of the facts that (i) doubts remain as to enhancement of the corporate value because the Bain Capital Tender Offer involves the risk of a deadlock among other risks due to possible coexistence of major shareholders and also the Bain Capital Tender Offer does not have sufficient measures to deal with coercion, thus the Bain Capital Tender Offer is inferior to the KKR Tender Offer in terms of enhancement of the corporate value and the fairness of procedures; (ii) in terms of the price, the Bain Capital Tender Offer is not superior to the KKR Tender Offer in any respect; and (iii) the Committee believes that, if the Company chooses to support the KKR Tender Offer, which is superior in the respects discussed above, and establishes earlier an environment in which the Company can push itself forward to achieve the Medium-Term Management Plan 2028, this will further contribute to enhancing the corporate value.

**(2) Whether the decision to be made by the Board of Directors of the Company to execute the Transaction through the Bain Capital Tender Offer will be disadvantageous to the minority shareholders of the Company (Consultation Matter (b))**

The Committee recommends that the Board of Directors express its opinion that the Company opposes the Bain Capital Tender Offer, and thus the Committee expects that the Company will

not make a decision regarding the execution of the Transaction by way of the Bain Capital Tender Offer and the Bain Capital Tender Offer will not be commenced.

**(3) Additional Statement to the Bain Capital Tender Offer and the Company's Future Actions**

As the reasons for the recommendation (1) (iii) above, the current mix of shareholders of the Company with different value standards has caused the Company to expend a great deal of effort in dealing with this transaction. In addition, some of the shareholders of the Company are confused and there is a concern that this confusion will be widespread even further. Now that the KKR Proposed Price has been raised to 9,451 yen, it is most important to promptly and definitively resolve such a situation and create an environment in which the Company is able to focus on the steady implementation of the Medium-Term Management Plan 2028 in order to resolve at the earliest possible time the concern that the Company's corporate value will be damaged. From this perspective, among others, the Committee believes that it is desirable that the Company take a clear and definitive position in opposition to the Bain Proposal.

Furthermore, the Committee states an opinion that, in order to resolve such a situation as discussed above, the Board of Directors should not to negotiate with Bain Capital to further increase the Bain Capital Proposed Price. The Committee also states an opinion the Board of Directors to demand that Bain Capital destroy all of the confidential information that the Company has disclosed to the Company in accordance with the non-disclosure agreement between the Bain Capital and the Company.

End