



December 17, 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 Finance Department Shinsuke Konishi (TEL. 045-650-8811)

**Notice Regarding (Opposing) Opinion of the Board of Directors of the Company on the Tender Offer for the Company Share Certificates by K.K. BCJ-88**

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 today 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, and the Company Shares and the Stock Acquisition Rights are hereinafter collectively referred to as the “Company Share Certificates”) by FK Co., Ltd. (“FK”) (that tender offer is hereinafter referred to as the “Second FK Tender Offer,” and the Second FK Tender Offer and the tender offer with a tender offer period of September 5, 2024 to November 5, 2024 and the tender offer price per share of the Company Shares of JPY 8,800 (the “First FK Tender Offer”) are hereinafter collectively referred to as the “FK 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 FK Tender Offer. In addition, the Company resolved to express its opinion opposing the planned commencement of the tender offer for the Company Share Certificates by K.K. BCJ-88 (the “Offeror,” and that tender offer, the “Tender Offer”) as announced in the “Notice Regarding the Planned Commencement of Tender Offer for the Shares of FUJI SOFT INCORPORATED (Securities Code: 9749)” dated October 11, 2024 (the “October 11, 2024 Bain Capital Press Release”) and published by an investment fund that receives investment advice from Bain Capital Private Equity, LP and its corporate group (individually or collectively, “Bain Capital”). Further, the Company received a report from the Special Committee established by the Company (the “Special Committee”) dated November 18, 2024 (the “November 18 Report”) and was notified by FK that the Second FK 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 on November 19, 2024 to continue expressing an opinion in support of the Second FK Tender Offer and to recommend that the Company’s shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second FK Tender Offer and to continue to express an opinion opposing the planned commencement of the Tender Offer.

Following that, on December 11, 2024, in connection with the implementation of the Tender Offer, the Company’s Board of Directors and the Special Committee received a proposal from Bain Capital (the “December 11, 2024 Bain Capital Proposal”) to increase the tender offer price per share of the Company Shares for the Tender Offer (the “Tender Offer Price”) from JPY 9,450 to JPY 9,600 (the “Price Increase”). After receiving the December 11, 2024 Bain Capital Proposal, the Company and the Special Committee deliberated carefully on the Second FK Tender Offer and the planned commencement of the Tender Offer. As a result, at the Board of Directors meeting held today, the Company resolved, as its current opinion, to continue expressing an opinion in support of the Second FK Tender Offer and to recommend that the Company’s shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second FK Tender Offer, as well as to continue expressing an opinion opposing the Tender Offer, and we hereby give notice of those resolutions.

## 1. Overview of the Offeror

(1) Name	K.K. BCJ-88
(2) Location	Palace Building 5F, 1-1-1, Marunouchi, Chiyoda-ku, Tokyo
(3) Name and Title of Representative	Yuji Sugimoto, Representative Director
(4) Businesses	1. Business activities involving the ownership of shares or equity interests in a company for the purpose of controlling and managing the business activities of that company 2. All business incidental or related to the preceding item
(5) Capital	JPY 5,000
(6) Date of Incorporation	October 2, 2024
(7) Major Shareholders and Shareholding Ratio	K.K. BCJ-87 100.00%
(8) Relationship Between the Listed Company and the Offeror	
Capital Relationships	Not applicable
Personnel Relationships	Not applicable
Business Relationships	Not applicable
Applicability to the Related Parties	Not applicable

## 2. Tender Offer Price

(1) JPY 9,600 per common share

(2) Stock Acquisition Rights

(A) JPY 1 per stock acquisition right for the Fifth Series Stock Acquisition Rights issued based on a resolution of the meeting of the Board of Directors held on March 29, 2022 (exercise period from April 1, 2024 to March 29, 2027, the “Fifth Series Stock Acquisition Rights”)

(B) JPY 1 per stock acquisition right for the Sixth Series Stock Acquisition Rights issued based on a resolution of the meeting of the Board of Directors held on March 28, 2023 (exercise period from April 1, 2025 to March 28, 2028, the “Sixth Series Stock Acquisition Rights”)

(C) JPY 1 per stock acquisition right for the Seventh Series Stock Acquisition Rights issued based on a resolution of the meeting of the Board of Directors held on March 26, 2024 (exercise period from March 27, 2026 to March 24, 2034, the “Seventh Series Stock Acquisition Rights,” and collectively with the Fifth Series Stock Acquisition Rights and the Sixth Series Stock Acquisition Rights, the “Stock Acquisition Rights”)

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

(1) Contents of Opinions on the Tender Offer

The Company passed resolutions at the meetings of the Board of Directors held on November 15, 2024 and November 19, 2024 to express an opinion opposing the planned commencement of the Tender Offer. However, after receiving the December 11, 2024 Bain Capital Proposal, the Company and the Special Committee deliberated carefully on the Second FK Tender Offer and the planned commencement of the Tender Offer. As a result, at the Board of Directors meeting held today, the Company resolved, as its current opinion, to continue expressing an opinion in support of the Second FK Tender Offer and to recommend that the Company’s shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second FK Tender Offer, as well as to continue expressing an opinion opposing the Tender Offer.

The resolutions adopted at the meetings of the Board of Directors held on November 15, 2024, November 19, 2024, and today were made in the manner set out in “(g) Approval of a Majority of 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 Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

(2) Grounds and Reasons for Opinions on the Tender Offer

The grounds and reasons for the Company’s expression of an opinion opposing the Tender Offer are as follows.

(A) Background to Consideration of the Tender Offer

After receiving the October 11, 2024 Bain Capital Press Release, the Company and the Special Committee carefully considered the Tender Offer and adopted resolutions at the Board of Directors meetings held on November 15, 2024 and November 19, 2024 to express an opinion opposing the planned commencement of the Tender Offer.

Following that, on December 11, 2024, the Board of Directors of the Company received from the Offeror a proposal that included the Price Increase. In light of that proposal, the Special Committee conducted careful deliberations and provided an additional opinion on December 17, 2024 (the “December 17 Opinion”) recommending that the Company express an opinion opposing the Tender Offer. The December 17 Opinion included the following points:

(i) Regarding the December 11, 2024 Bain Capital Proposal

(A) There remains uncertainty about whether it would be possible to achieve inorganic growth such as organizational restructuring requiring a special resolution at a general shareholders’ meeting, which entails the risk of a deadlock because there are multiple major shareholders. As a result, compared to privatization by FK, doubts remain about the extent to which the proposal would enhance corporate value.

(B) The completion of the Tender Offer is expected to be delayed by at least approximately three months longer than the completion of the Second FK Tender Offer, and it is unlikely that the Tender Offer will be completed before the Second FK Tender Offer. Consequently, the December 11, 2024 Bain Capital Proposal lags behind Privatization by FK in terms of the timing for implementing measures to enhance corporate value with the aim of achieving the Company’s medium-term business plan via privatization. From a quantitative perspective, such as the discounted present value of future cash flows, the proposal is also inferior to privatization by FK.

(ii) Regarding the Second FK Tender Offer:

(A) The purchase price per share of the Company Shares in the Second FK Tender Offer (the “Second FK Tender Offer Price”) was formed through reasonable efforts to secure the interests of shareholders as required by the Corporate Takeover Guidelines published by the Ministry of Economy, Trade, and Industry on August 31, 2023 (the “Takeover Guidelines”), and the price is considered sufficient.

(B) While the difference between the Tender Offer Price and the Second FK Tender Offer Price is JPY 149 (approximately 1.58%), the Second FK Tender Offer Price also has time value in that it enables early monetization.

Considering these factors, the necessity of securing an opportunity to sell shares at the Tender Offer Price is low.

At the Board of Directors meeting held today, the Company conducted sincere and careful deliberations on the Tender Offer while fully respecting the contents of the December 17 Opinion and resolved to continue expressing an opinion opposing the planned commencement of the Tender Offer. Please refer to the appendix for detailed contents of the December 17 Opinion such as the requirements of the Takeover Guidelines and the sufficiency of the Second FK Tender Offer Price. In the December 17 Opinion, it was stated that, with respect to the Second FK Tender Offer, no circumstances arose between the submission of the November 18 Report and the submission of the December 17 Opinion that would overturn the Special Committee’s opinion on the Second FK Tender Offer. The December 17 Opinion recognized the sufficiency of the Second FK Tender Offer Price (JPY 9,451) and found no concerns with respect to securing the interests of the shareholders. Further, while there is a difference of JPY 149 (approximately 1.58%) between the Tender Offer Price and the Second FK Tender Offer Price, the December 17 Opinion stated that the Second FK Tender Offer Price has a time value in the sense that it allows for a conversion to cash approximately three months earlier than the Tender Offer Price. Accordingly, the need to express support for the Tender Offer and secure an opportunity to sell shares at the Tender Offer Price was considered low, and an opinion similar to the one in the November 18

Report was presented. At the Board of Directors meeting held today, the Company resolved to express an opinion in support of the Second FK Tender Offer and to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the Second FK Tender Offer. That resolution was based on the recognition that the Second FK Tender Offer Price, presented through sufficient competitive procedures, is a sufficient price, raises no concerns with respect to securing the interests of shareholders, and, in terms of time value, offers an advantage by enabling monetization approximately three months earlier than the Tender Offer Price. That resolution also considered other points raised in the December 17 Opinion.

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 Kohlberg Kravis Roberts & Co. L.P., a substantial shareholder of FK, (including its affiliates and related funds, "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. For details regarding the background of the deliberations on the privatization of the Company including the Tender Offer, please refer to the "(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" published by the Company on November 19, 2024 (the "November 19, 2024 Company Press Release").

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

Under the above circumstances, on December 11, 2024, the Board of Directors of the Company received from the Offeror a proposal that included the Price Increase. The Special Committee submitted the December 17 Opinion to the Board of Directors of the Company on December 17, 2024 in connection with the Board of Directors expressing its opinion regarding the Second FK Tender Offer and the planned commencement of the Tender Offer. The following points were presented in the December 17 Opinion:

(i) Regarding the December 11, 2024 Bain Capital Proposal:

(A) There remains uncertainty about whether it would be possible to achieve inorganic growth such as organizational restructuring requiring a special resolution at a general shareholders' meeting, which entails the risk of a deadlock because there are multiple major shareholders. As a result, compared to privatization by FK, doubts remain about the extent to which the proposal would enhance corporate value through privatization.

(B) The completion of the Tender Offer is expected to be delayed by at least approximately three months longer than the completion of the Second FK Tender Offer, and it is not possible that the Tender Offer would be completed before the Second FK Tender Offer. Consequently, the December 11, 2024 Bain Capital Proposal would take at least approximately three months longer than privatization by FK in terms of the timing for implementing measures to enhance corporate value with the aim of achieving the Company's medium-term business plan. From a quantitative perspective, such as the discounted present value of future cash flows, the proposal is also inferior to privatization by FK.

(ii) Regarding the Second FK Tender Offer:

(A) The Second FK Tender Offer Price was formed through reasonable efforts to secure the interests of shareholders as required by the Takeover Guidelines, and the price is considered sufficient.

(B) While the difference between the Tender Offer Price and the Second FK Tender Offer Price is JPY 149 (approximately 1.58%), the Second FK Tender Offer Price also has time value in that it enables early monetization.

Considering these factors, the necessity of securing an opportunity to sell shares at the Tender Offer Price is low.

Therefore, the December 17 Opinion recommends that the Company express an opinion opposing the Tender Offer.

At the Board of Directors meeting held on December 17, 2024, the Company conducted sincere and careful deliberations on the contents of the Tender Offer while fully respecting the contents of the December 17 Opinion, considering the following points:

(A) The purchase price per share of the Company Shares in the Second FK Tender Offer was presented through sufficient competitive procedures and was formed through reasonable efforts to secure the interests of shareholders, and the price is considered sufficient.

(B) The difference in the purchase price per share of the Company Shares between the Tender Offer Price and the Second FK

Tender Offer Price is JPY 149 (approximately 1.58%).

(C) The completion of the Tender Offer is expected to be delayed by at least approximately three months longer than the completion of the Second FK Tender Offer.

Considering these points, as well as the expected returns and time value for shareholders during the relevant period, it is believed that the necessity of securing an opportunity to sell shares at the Tender Offer Price is low.

In light of that and based on the other points raised in the December 17 Opinion, the Company adopted a resolution to express an opinion opposing the Tender Offer. This resolution was adopted with the approval of nine of the eleven directors, excluding Satoyasu Sakashita, the Company's representative director, ("Mr. Sakashita"), who did not participate in the deliberations or the resolution. In the December 17 Opinion, it was stated that, with respect to the Second FK Tender Offer, no circumstances arose between the submission of the November 18 Report and the submission of the December 17 Opinion that would overturn the Special Committee's opinion on the Second FK Tender Offer. The December 17 Opinion recognized the sufficiency of the Second FK Tender Offer Price (JPY 9,451) and found no concerns with respect to securing the interests of the shareholders. Further, while there is a difference of JPY 149 (approximately 1.58%) between the Tender Offer Price and the Second FK Tender Offer Price, the December 17 Opinion stated that the Second FK Tender Offer Price has a time value in the sense that it allows for a conversion to cash approximately three months earlier than the Tender Offer Price. Accordingly, the need to express support for the Tender Offer and secure the opportunity to sell shares at the Tender Offer Price was considered low, and an opinion similar to the one in the November 18 Report was presented. At the Board of Directors meeting held today, the Company resolved to express an opinion in support of the Second FK Tender Offer and to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the Second FK Tender Offer. That resolution was based on the recognition that the Second FK Tender Offer Price, presented through sufficient competitive procedures, is a sufficient price, raises no concerns with respect to securing the interests of shareholders, and, in terms of time value, offers an advantage by enabling monetization approximately three months earlier than the Tender Offer Price. That resolution also considered other points raised in the December 17 Opinion.

The opinions of the two directors who did not agree with the above resolution are as follows. Those two directors also expressed their agreement to support the Second FK Tender Offer and recommended that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the Second FK Tender Offer. The following pertains to the opinion opposing the Tender Offer.

- While the Special Committee's points regarding the reasons to recommend expressing an opinion opposing the Tender Offer, including the view that although there is a price difference of 149 yen between the Tender Offer Price and the Second FK Tender Offer price, the Second FK Tender Offer Price has the advantage of time value, allowing for early monetization, are understandable, those points are not sufficient to justify the Company expressing an opinion actively opposing the Tender Offer, considering the existence of that price difference.

### (3) Matters Concerning Valuation

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

See the November 19, 2024 Company Press Release.

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

See the November 19, 2024 Company Press Release.

### (4) Expected Delisting and Reasons Therefor

The Company Shares are currently listed on the Prime Market of the Tokyo Stock Exchange, Inc. (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 the delisting criteria do not apply at the time of the completion of the Tender

Offer, the Offeror intends to implement a series of procedures to take the Company private (the “Squeeze-Out Procedures”) after the completion of the Tender Offer as described in “(5) Policy on Organizational Restructuring After the Tender Offer (Matters Relating to the So-Called Two-Step Acquisition)” below, 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.

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

In the event that the Offeror is unable to acquire all of the Company Shares (including shares with transfer restrictions of the Company that have been granted to the directors and executive managing officers of the Company as remuneration by shares with transfer restrictions (the “Restricted Shares”) and the Company Shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding the Agreed Non-Tendering Shares (defined below) and treasury shares owned by the Company) and all of the Stock Acquisition Rights (excluding the Agreed Non-Tendering Stock Acquisition Rights (defined below)) in the Tender Offer, then promptly after the completion of the settlement of the Tender Offer following the successful completion 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 (Act No. 86 of 2005, as revised, the “Companies Act,” and that share consolidation, the “Share Consolidation”) and that the Company hold an extraordinary general shareholders meeting (the “Extraordinary General Shareholders Meeting”) to include as an agenda item a proposal to partially amend the Company’s Articles of Incorporation to abolish the provisions regarding the number of shares constituting one unit subject to the 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 corporate value of the Company, and it plans to request that the Company make a public announcement about setting a record date of the Extraordinary General Shareholders Meeting during the tender offer period of the Tender Offer (the “Tender Offer Period”) so that the record date will fall on a date shortly after the commencement of the settlement of the Tender Offer. The date of the Extraordinary General Shareholders Meeting has not been determined at this time. The Offeror and the Agreed Non-Tendering Shareholders (defined below) plan to vote in favor of each of the above proposals at the Extraordinary General Shareholders Meeting. In addition, Hiroshi Nozawa, the founder of the Company and its fifth largest shareholder (as of June 30, 2024) (number of shares owned: 3,531,058 shares, ownership ratio (Note 1): 5.60%, number of Stock Acquisition Rights owned: 40 stock acquisition rights, ownership ratio: 0.01%, “Mr. Nozawa”) and Chieko Nozawa, a relative of Mr. Nozawa, (number of shares owned: 610,668 shares, ownership ratio: 0.97%) intend, following the completion of the Tender Offer and prior to the Share Consolidation taking effect, to transfer all of the Company Shares they own (including the Company Shares to be delivered upon the exercise of the Stock Acquisition Rights) to NFC Corporation, Mr. Nozawa’s asset management company and the second-largest shareholder of the Company (as of June 30, 2024) (number of shares owned 6,056,800 shares, ownership ratio: 9.61%, “NFC”) (Mr. Nozawa, Ms. Chieko Nozawa, and NFC are collectively referred to as the “Agreed Non-Tendering Shareholders,” and all of the Company Shares owned by the Agreed Non-Tendering Shareholders (10,198,526 shares, ownership ratio: 16.18%) are referred to as the “Agreed Non-Tendering Shares,” and all of the Stock Acquisition Rights owned by the Agreed Non-Tendering Shareholders (including the Company Shares to be delivered upon exercise of the Stock Acquisition Rights, 8,000 stock acquisition rights, ownership ratio: 0.01%) are referred to as the “Agreed Non-Tendering Stock Acquisition Rights”).

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 ratio of the Share Consolidation 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 Company’s shareholders who have a fractional share will be paid the amount obtained by selling the fractions to the Company or the Offeror equivalent to the total number 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; the same shall apply hereinafter) 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 equivalent to the total number 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 who did not tender their shares in the Tender Offer (excluding the Offeror, NFC and the Company) is the same as 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 the court. Further, although the ratio of the Share Consolidation is undecided as of today, to ensure that only the Offeror and NFC will own all Company Shares (excluding treasury shares possessed by the Company), the Offeror plans to request that the Company determine the ratio in a manner so that the number of shares that shareholders of the Company (excluding the Offeror, NFC and the Company) who do not tender shares in the Tender Offer will come to possess will be a fraction of less than one share. However, if, after the Tender Offer, if any shareholder (excluding the Offeror) who owns more shares of the Company than the number of shares of the Company owned by NFC exists or is expected to exist, the Offeror will take necessary measures, after consultation with NFC, so that the only shareholders of the Company after the completion of the Tender Offer will be the Offeror and NFC. The specific procedures for the Share Consolidation will be announced as soon as they are determined after consultation between the Offeror and the Company.

(Note 1) “Ownership ratio” means the percentage of shares calculated as follows: (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 for the Third Quarter of the Fiscal Year Ending December 31, 2024 (Under Japanese GAAP) submitted by the Company on November 7, 2024 (the “Third Quarter Financial Results”); (ii) plus the number of shares (15,200 shares), which is calculated as the number of shares underlying the remaining Fifth Series Stock Acquisition Rights as of November 19, 2024, that had become exercisable on the same date (1,089 stock acquisition rights, representing 217,800 shares), minus the number of shares underlying the Fifth Series Stock Acquisition Rights held by FK as of the same date (1,013 stock acquisition rights, representing 202,600 shares), resulting in a total of 67,415,200 shares; and (iii) minus the number of treasury shares held by the Company as of September 30, 2024 (4,386,929 shares) (Note 2), resulting in a total of 63,028,271 shares (the “Total Number of Shares After Considering Potential Shares of the Company”) (rounding any fraction to two decimal places). Further, among the Stock Acquisition Rights, the exercise periods for the Sixth Series Stock Acquisition Rights and the Seventh Series Stock Acquisition Rights will commence on April 1, 2025, and March 27, 2026, respectively. Since it is not anticipated that the Sixth Series Stock Acquisition Rights or the Seventh Series Stock Acquisition Rights will be exercised during the Tender Offer Period, nor that Company Shares will be issued or transferred to the holders of those Stock Acquisition Rights, the number of shares underlying the Sixth Series Stock Acquisition Rights (262,000 shares, corresponding to 1,310 stock acquisition rights) and the Seventh Series Stock Acquisition Rights (290,000 shares, corresponding to 2,900 stock acquisition rights) has not been included in the Total Number of Shares After Considering Potential Shares of the Company. Additionally, regarding the Fifth Series Stock Acquisition Rights held by FK, since FK does not hold a position as an officer or employee of the Company and therefore, in principle, does not satisfy the conditions for exercise, it is believed that the Fifth Series Stock Acquisition Rights will not be exercised during the Tender Offer Period and that Company Shares will not be issued or transferred to FK. As a result, the number of shares underlying the Fifth Series Stock Acquisition Rights held by FK (202,600 shares, corresponding to 1,013 rights) has not been included in the Total Number of Shares After Considering Potential Shares of the Company. Additionally, the Fourth Series Stock Acquisition Rights, as stated in the 54th Annual Securities Report submitted by the Company on March 27, 2024, expired upon the conclusion of their exercise period on March 26, 2024, and as a result, all of the Fourth Series Stock Acquisition Rights existing at that time have been extinguished.

(Note 2) The number of treasury shares as of September 30, 2024 stated in the Third Quarter Financial Results (4,388,528 shares) includes 1,599 shares, equivalent to 40% (percentage of voting rights held by the Company in Nihon Business Soft Incorporation) of the 3,998 shares (ownership ratio: 0.01%) of the Company 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).

As a provision to protect the rights of minority shareholders in connection with the Share Consolidation, the Companies Act provides that 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, shareholders of the Company who do not tender in the Tender Offer (excluding the Offeror, NFC 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 the number of shares that shareholders of the Company who do not

tender in the Tender Offer (excluding the Offeror, NFC 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 Offeror plans to discuss and negotiate to tender the Company Shares and the Stock Acquisition Rights acquired through the First FK Tender Offer in the Tender Offer, if FK fails to acquire the minimum number of shares of the Company through the Second FK Tender Offer. Also, even if FK does not accept such request, in order to prevent the remaining shareholders of the Company and the Stock Acquisition Rights Holders after the First FK Tender Offer and the Tender Offer from standing unstable positions, the Offeror plans to request FK to cooperate in implementing the Share Consolidation. The Offeror believes that there is no reasonable reason for FK not to accept such request considering that (i) if the Tender Offer is completed and the Second FK Tender Offer fails, the shareholders of the Company and the Stock Acquisition Rights Holders may be left while Squeeze-out Procedures not being implemented, which may harm the interests of shareholders of the Company and the Stock Acquisition Rights Holders and (ii) it is difficult to consider from the standpoint of economic rationality that FK will continue to hold the Company Shares and the Stock Acquisition Rights even after the result of the Tender Offer and the FK Tender Offer determines that FK will not achieve its objective of taking the Company Shares private. Notwithstanding such request, in the unlikely event that FK does not accept the request and the Offeror reasonably determines that there is no prospect of implementing the Squeeze-out Procedures and there is a high probability that the remaining shareholders of the Company and the Stock Acquisition Rights Holders will be materially disadvantaged in the situation where period stipulated in the delisting standards is about to pass without the Company meeting the criteria for maintaining its listing on the TSE, the Offeror plans to provide the remaining shareholders of the Company and the Stock Acquisition Rights Holders reasonable opportunities to exit by such methods as conducting another tender offer under practically the same terms and conditions as the Tender Offer again so that the remaining shareholders of the Company and the Stock Acquisition Rights Holders will not be subject to such disadvantage. In addition, even if there is no prospect of implementing the Squeeze-out Procedures, the Offeror plans to fully support the Company in order to enhance the Company's corporate value by designing and implementing a growth strategy and business structure transformation using the consulting approach, and by providing personnel support, in cooperation with the Company's shareholders remaining at that time. While the scheme and specific procedures for the Share Consolidation may be subject to change depending on the status of discussions with FK and other specific circumstances, any change will be promptly announced through the Company as soon as it is determined.

If, as a result of the Tender Offer and the FK Tender Offer, the total number of voting rights of the Company held by the Offeror and the Agreed Non-Tendering Shareholders is less than that held by FK, the Squeeze-out Procedure will not be implemented.

The aforementioned procedures may take time to be implemented, or the method of implementation may change, depending on factors such as the amendment, enforcement, and interpretation of relevant laws and regulations by related authorities. However, even in such cases, it is planned that if the Tender Offer is successfully completed, the method of ultimately delivering money to shareholders of the Company (excluding the Offeror, NFC 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 practically the same as the price obtained by multiplying the Tender Offer Price by the number of Company Shares possessed by each such shareholder of the Company. With respect to the Restricted Shares, the allotment agreement stipulates that (a) during the transfer restriction period, if matters relating to a share consolidation (limited to cases where the Restricted Shares held by each director and executive officer will be 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 (the "Effective Date of Squeeze-out") is prior to the expiry of the transfer restriction period), the transfer restrictions will be lifted for 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), immediately before the business day preceding the Effective Date of Squeeze-out, by a resolution of the Company's Board of Directors, 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 in accordance with 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 (excluding the Agreed Non-Tendering 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 implement, or 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 Rights Holders waive the Stock Acquisition Rights. If the Squeeze-out Procedure is to be implemented after the completion of the Tender Offer, in light of the fact that the stock acquisition rights are granted as incentive compensation to the officers and employees of the Company, in order to avoid any disadvantage to the Company's officers and employees who are Stock Acquisition Rights Holders, the Offeror will ask the Stock Acquisition Rights Holders, as part of the Squeeze-out Procedure, for their cooperation in waiving their Stock Acquisition Rights, etc. and, in exchange for such cooperation, plans to deliver to the Stock Acquisition Rights Holders, excluding FK, the difference between the Tender Offer Price and the exercise price of the Stock Acquisition Rights multiplied by the number of common shares subject to the Stock Acquisition Rights. The specific method will be decided after consultation with the Stock Acquisition Rights Holders and the Company.

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.

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 Rights 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 Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest

To eliminate the possibility of arbitrariness in the decision-making process of the Board of Directors and to ensure fairness and transparency, the Company has implemented the following measures to ensure fairness and avoid conflicts of interest. After implementing those measures, the Company expressed its opinion in support of the Second FK Tender Offer and has recommended that the Company's shareholders and the Stock Acquisition Rights Holders tender their Company Share Certificates in the Second FK Tender Offer and the Company resolved to express an opinion opposing the Tender Offer.

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

See the November 19, 2024 Company Press Release.

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

See the November 19, 2024 Company Press Release.

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

See the November 19, 2024 Company Press Release.

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

As described in the November 19, 2024 Company Press Release, 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 the contents of the report, and does not include any incentive fee contingent upon the successful completion of the Transactions, including the FK Tender Offers and the Tender Offer.

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 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

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.

On August 5, 2024, the Company's Board of Directors received an opinion from the Special Committee dated August 4, 2024 stating that there were no circumstances sufficient to alter the opinion submitted by the Special Committee on June 28, 2024. In that context, the Board of Directors resolved to consult with the Special Committee on the following matters (the "Consultation Matters") regarding the legally binding final proposal dated June 14, 2024 on this matter, which includes statements on the purchase price in the First FK Tender Offer, conditioned on the Company Shares being taken private:

- (a) Whether to recommend to the Board of Directors the implementation of the transaction to take the common shares of the Company private through the tender offer for the Company's common shares and Stock Acquisition Rights and the subsequent series of procedures (including whether to support that tender offer and whether to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in that tender offer); and
- (b) Whether the Board of Directors' decision to implement that transaction would be disadvantageous to the Company's minority shareholders.

KKR's proposal dated June 14, 2024 was based on a multifaceted and comprehensive analysis of the Company's business and financial conditions. That analysis included comparing the market share prices and financial indicators, such as profitability, of several listed companies that are relatively similar to the Company in terms of business description, business scale, and earnings conditions. 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 December 17 Opinion to the Board of Directors of the Company.

For the contents of that opinion, please refer to the appendix.

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

See the November 19, 2024 Company Press Release.

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

See the November 19, 2024 Company Press Release.

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

On November 15, 2024, the Company's Board of Directors resolved with the unanimous approval of all directors except for Mr. Sakashita, who did not participate in the deliberations or the resolution, to express an opinion in support of the Second FK Tender Offer and to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the Second FK Tender Offer and also resolved to express an opinion opposing the Tender Offer. Following that, after receiving the December 11, 2024 Bain Capital Proposal while fully respecting the contents of the December 17 Opinion, the Company conducted sincere and careful deliberations on the Tender Offer. As a result, as stated in "(B) Grounds and Reasons for Opinion" in "(2) Grounds and Reasons for Opinions on the Tender Offer," the Board of Directors resolved to express an opinion opposing the Tender Offer and resolved to continue expressing an opinion in support of the Second FK Tender Offer and to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the Second FK Tender Offer. Those resolutions were adopted with the approval of nine of the eleven directors, excluding Mr. Sakashita, who did not participate in the deliberations or the resolution.

The opinions of the two directors who did not agree with the above resolution are as follows. Those two directors also expressed their agreement to support the Second FK Tender Offer and recommended that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the Second FK Tender Offer. The following pertains to the opinion opposing the Tender Offer.

- While the Special Committee's points regarding the reasons to recommend expressing an opinion opposing the Tender Offer, including the view that although there is a price difference of 149 yen between the Tender Offer Price and the Second FK Tender Offer price, the Second FK Tender Offer Price has the advantage of time value, allowing for early monetization, are understandable, those points are not sufficient to justify the Company expressing an opinion actively opposing the Tender Offer, considering the existence of that price difference.

Further, the meeting of the Board of Directors held today 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.

4. Important Agreements Relating to the Tender Offer Between the Offeror and the Company's Shareholders

(1) Tender Agreements

The Offeror has entered into tender agreements each dated October 11, 2024 (collectively, the "Tender Agreements") with Noriko Nozawa, who is a relative of Mr. Nozawa (number of shares owned: 1,158,156 shares, ownership ratio: 1.84%), Chieko Nozawa (number of shares owned: 167,600 shares, ownership ratio: 0.27%), and Kana Takeuchi (number of shares owned: 167,600 shares,

ownership ratio: 0.27%) (collectively, the “Agreed Tendering Shareholders”). Under those agreements, the Agreed Tendering Shareholders have agreed to tender all of their agreed tendering shares (1,493,356 shares, total ownership ratio: 2.37%) in the Tender Offer if the Tender Offer is commenced. The Offeror has also agreed to the following terms under the Tender Agreements. The Offeror has stated that, with regard to the Tender Offer, no agreements other than the Tender Agreements have been made with the Agreed Tendering Shareholders.

(a) The Offeror has stated that the commencement of the Tender Offer is conditional upon the satisfaction or waiver by the Offeror of the following conditions precedent.

(A) The representations and warranties by the Agreed Tendering Shareholders in the Tender Agreements (Note 1) are true and correct in all material respects.

(B) The Agreed Tendering Shareholders have performed or complied with in all material respects all obligations that are to be performed or complied with under the Tender Agreements (Note 2).

(C) A resolution has been adopted by the Company’s Board of Directors to express an opinion in support of the Tender Offer, that opinion has been publicly announced, and no resolution has been adopted to alter or withdraw that opinion or that is otherwise inconsistent with that opinion.

(D) With respect to the Company and its subsidiaries:

(i) None of the matters listed in Article 14, paragraph (1), item (i)(a) through (j) and (m) through (s) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as revised, the “Order”) have been determined;

(ii) None of the matters set forth in Article 14, paragraph (1), item (iii)(a) through (h) or item (iv) of the Order have occurred with respect to the Company;

(iii) None of the matters set forth in Article 14, paragraph (1), item (iii)(a) through (g) of the Order have occurred with respect to any material subsidiary of the Company;

(iv) None of the matters set forth in Article 14, paragraph (2), items (iii) through (vi) of the Order have occurred with respect to the Company; and

(v) it has not been found that any statutory disclosure document previously submitted by the Company contains a false statement regarding a material matter or omits a material matter that should have been stated, and the Offeror is not aware of any such false statement or omission.

(E) No circumstances have arisen that could have a material adverse effect on the business, financial condition, business condition, assets, liabilities, cash flow, or future outlook of the Company group or on relevant economic or market conditions and no other event has occurred with respect to the Company group that is reasonably believed will have a material impact on the decision of the Offeror to commence the Tender Offer.

(F) The acquisition of the approvals and permissions necessary for the implementation of the Transactions including those under (i) the Antimonopoly Act, (ii) the Foreign Exchange and Foreign Trade Act, and (iii) competition laws in Vietnam (the “Clearances”) has been completed or is reasonably expected to be completed.

(G) The Offeror is not aware of any material facts concerning business or other particulars (as defined in Article 166, paragraph (2) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as revised, the “Act”)) of the Company that have not been publicly announced (as defined in Article 166, paragraph (4) of the Act) by the Company.

(H) No petition, lawsuit, or similar action seeking to restrict or prohibit the Tender Offer or the tendering of the Company Shares owned by the Agreed Tendering Shareholders in the Tender Offer (the “Tender”) is pending before any judicial or administrative authority, and no laws, regulations, or decisions by any judicial or administrative body exist that restrict or prohibit the Tender Offer or the Tender by the Agreed Tendering Shareholders.

(Note 1) The matters set forth in the representations and warranties of the Agreed Tendering Shareholders as provided in the

Tender Agreements are (i) the capacity to hold rights, capacity to act and mental capacity relating to the execution of the Tender Agreements; (ii) the validity and enforceability of the Tender Agreements; (iii) the acquisition of the required permits; (iv) absence of any conflict of laws or regulations with regard to the execution and performance of the Tender Agreements; (v) absence of insolvency proceedings and any cause thereof; (vi) absence of any relationship with anti-social forces; (vii) compliance with applicable anti-corruption laws and regulations in each country; and (viii) the legality and validity of the ownership of shares and stock acquisition rights, and nonexistence of any agreements relating to shares and stock acquisition rights.

(Note 2) Under the Tender Agreements, the Agreed Tendering Shareholders bear, among others, (i) the obligation not to, except as otherwise expressly provided for in the Tender Agreements, dispose of the agreed tendering shares or acquire the Company Shares, the Stock Acquisition Rights or any rights pertaining thereto, (ii) the obligation not to engage in any actions that may compete, contradict or conflict with the Transactions, (iii) in the case of any solicitations, proposals, provision of information or offers by any third party other than the Offeror in relation to any acts as set forth in (ii) above, the obligation to immediately make necessary notification and consultation, (iv) the obligation not to exercise the right to seek convocation or the right to make a shareholder proposal with respect to a general meeting of shareholders of the Company without the prior written consent of the Offeror between the date of execution of the Tender Agreements and the date on which the settlement of the Tender Offer commences (the "Settlement Commencement Date"), (v) the obligation to exercise voting rights in opposition to certain proposals at the general meeting of shareholders of the Company to be held between the date of execution of the Tender Agreements and the Settlement Commencement Date, (vi) the obligation to exercise rights in accordance with the instructions of the Offeror, at the general meeting of shareholders of the Company to be held on or after the Settlement Commencement Date, whose record date for the exercise of rights is prior to the Settlement Commencement Date, (vii) the obligation to indemnify in the event of a breach of any obligation or representations and warranties, (viii) the obligation to notify in the event of a breach of any representations and warranties or any other obligations, (ix) confidentiality obligation, and (x) non-assignment of contractual status or rights and obligations.

(b) Conditions precedent for the Tender are as set forth in (A) through (E) below (the Agreed Tendering Shareholders may, at their discretion, tender all or some of the agreed tendering shares in the Tender Offer even if any of the following conditions precedent are not met):

(A) The Offeror's representations and warranties in the Tender Agreements (Note 3) are true and accurate in all material respects.

(B) The Offeror has performed or complied with all obligations under the Tender Agreements (Note 4) in all material respects.

(C) The Tender Offer has been initiated.

(D) None of the Agreed Tendering Shareholders is aware of any material facts (those set forth in Article 166, paragraph (2) of the Act) that concern the business of the Company that have not been publicly announced (as defined in Article 166, paragraph (4) of the Act) by the Company (except for the case where the provisions of Article 166, paragraph (6), item (vii) of the Act may be applied with a reasonable cooperation of the Offeror).

(E) No petition, suit, etc. is pending at any judicial or administrative authority, etc. to restrict or prohibit the Tender Offer or the Tender, and no laws, regulations, etc. or judgments, etc. by any judicial or administrative authority, etc. to restrict or prohibit the Tender Offer or the Tender by the Agreed Tendering Shareholders exist.

(Note 3) The matters set forth in the representations and warranties of the Offeror as provided in the Tender Agreements are (i) the legality and validity of its establishment and existence; (ii) the capacity to hold rights and implementation of necessary procedures relating to the execution of the Tender Agreements; (iii) the validity and enforceability of the Tender Agreements; (iv) the acquisition of the required permits; (v) absence of any conflict of laws or regulations with regard to the execution and performance of the Tender Agreements; (vi) absence of insolvency proceedings and

any cause thereof; (vii) absence of any relationship with anti-social forces; (viii) compliance with applicable anti-corruption laws and regulations in each country; and (ix) the sufficiency and prospect of procurement of funding to conduct the Transactions.

(Note 4) In the Tender Agreements, the Offeror has the following obligations: (i) commencement of the Tender Offer subject to the conditions precedent provided for in the Tender Agreements being fully satisfied or waived by the Offeror, (ii) indemnification in the event of a breach of any obligation or representations and warranties, (iii) notification in the event of a breach of any representations and warranties or any other obligations, (iv) confidentiality obligations, and (v) non-assignment of contractual status or rights and obligations.

(c) The Offeror and the Agreed Tendering Shareholders have confirmed that the Agreed Non-Tendering Shareholders, the Agreed Tendering Shareholders, and other relatives of Mr. Nozawa will make an investment in the Offeror's Parent Company (the "Reinvestment"). The specific details of the Reinvestment will be separately agreed upon through good faith discussions between the Offeror and the Agreed Tendering Shareholders.

## (2) Non-Tender Agreements

The Offeror has entered into non-tender agreements each dated October 11, 2024 (the "Non-Tender Agreements") with the Agreed Non-Tendering Shareholders, and the Agreed Non-Tendering Shareholders have agreed to not tender in the Tender Offer (if initiated) all of the Agreed Non-Tendering Shares (10,198,526 shares, ownership ratio: 16.18%) and all of the Agreed Non-Tendering Stock Acquisition Rights (including the Company Shares to be delivered upon the exercise of the Stock Acquisition Rights; 8,000 stock acquisition rights, ownership ratio: 0.01%), and, at the Extraordinary General Shareholders Meeting, with respect to all of the Agreed Non-Tendering Shares, to vote in favor of any proposals related to the Share Consolidation. In addition, the following has been agreed in the Non-Tender Agreements. Except for the Non-Tender Agreements, no agreements have been entered into by and between the Offeror and the Agreed Non-Tendering Shareholders regarding the Transactions.

(a) The Offeror will commence the Tender Offer subject to the following conditions precedent being satisfied or waived by the Offeror:

(A) The Agreed Non-Tendering Shareholders' representations and warranties in the Non-Tender Agreements (Note 5) are true and accurate in all material respects.

(B) The Agreed Non-Tendering Shareholders have performed or complied with all obligations under the Non-Tender Agreements (Note 6) in all material respects.

(C) A resolution has been adopted by the Company's Board of Directors to express an opinion in support of the Tender Offer, that opinion has been publicly announced, and no resolution has been adopted to alter or withdraw that opinion or that is otherwise inconsistent with that opinion.

(D) (i) The Company and its subsidiaries have not determined the matters set forth in Article 14, paragraph (1), item (i), (a) through (j) as well as (m) through (s) of the Order, (ii) none of the 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 occurred at the Company, (iii) none of the matters set forth in Article 14, paragraph (1), item (iii), (a) through (g) of the Order have occurred at the Company's important subsidiaries, (iv) none of the matters set forth in Article 14, paragraph (2), items (iii) through (vi) of the Order have occurred at the Company, and (v) no situation has occurred where 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, and the Offeror is not aware of any such false statement or omission.

(E) No circumstances have arisen that could have a material adverse effect on the business, financial condition, business condition, assets, liabilities, cash flow, or future outlook of the Company group or on relevant economic or market conditions and no other event has occurred with respect to the Company group that is reasonably believed will have a material impact on the decision of the Offeror to commence the Tender Offer.

- (F) The acquisition of the Clearances has been completed or is reasonably expected to be completed.
- (G) The Offeror is not aware of any material facts concerning business or other particulars (as defined in Article 166, paragraph (2) of the Act) of the Company that have not been publicly announced (as defined in Article 166, paragraph (4) of the Act) by the Company.
- (H) No petition, suit, etc. is pending at any judicial or administrative authority, etc. to restrict or prohibit the Tender Offer, and no laws, regulations, etc. or judgments, etc. by any judicial or administrative authority, etc. to restrict or prohibit the Tender Offer exist.

(Note 5) The representations and warranties of each Agreed Non-Tendering Shareholder (that is a corporation) in a Non-Tender Agreement are (i) the legality and validity of its establishment and existence; (ii) its capacity to hold rights and to carry out necessary procedures relating to the execution of the Non-Tender Agreement; (iii) the validity and enforceability of the Non-Tender Agreement; (iv) the acquisition of the required permits; (v) the absence of any conflict of laws or regulations with regard to the execution and performance of the Non-Tender Agreement; (vi) the absence of insolvency proceedings and any cause thereof; (vii) the absence of any relationship with anti-social forces; (viii) compliance with applicable anti-corruption laws and regulations in each country; and (ix) the legality and validity of the ownership of shares and stock acquisition rights, and nonexistence of any agreements relating to shares and stock acquisition rights. The representations and warranties of each Agreed Non-Tendering Shareholder (that is an individual) in a Non-Tender Agreement are (i) its capacity to hold rights, capacity to act and mental capacity relating to the execution of the Non-Tender Agreement; (ii) the validity and enforceability of the Non-Tender Agreement; (iii) the acquisition of the required permits; (iv) the absence of any conflict of laws or regulations with regard to the execution and performance of the Non-Tender Agreement; (v) the absence of insolvency proceeding and any cause thereof; (vi) the absence of any relationship with anti-social forces; (vii) compliance with applicable anti-corruption laws and regulations in each country; and (viii) the legality and validity of the ownership of shares and stock acquisition rights, and nonexistence of any agreements relating to shares and stock acquisition rights.

(Note 6) Under each Non-Tender Agreement, the Agreed Non-Tendering Shareholder bears, among others, (i) the obligation to not, except as otherwise expressly provided for in the Non-Tender Agreement, transfer, assign, establish security in or otherwise dispose of the Agreed Non-Tendering Shares and the Stock Acquisition Rights and the obligation to not acquire the Company Shares, the Stock Acquisition Rights or any rights pertaining thereto, (ii) the obligation not to engage in any actions that might compete, contradict or conflict with the Transactions, (iii) in case of any solicitations, proposals, provision of information or offers by any third party other than the Offeror in relation to any acts as set forth in (ii) above, the obligation to give notification and consultation, (iv) the obligation to cooperate in the Squeeze-out Procedures, (v) the obligation to not exercise the right to seek convocation or the right to make a shareholder proposal with respect to a general meeting of shareholders of the Company without the prior written consent of the Offeror between the date of execution of the Non-Tender Agreements and the effective date of the Share Consolidation, (vi) the obligation to exercise voting rights in opposition to certain proposals at the general meeting of shareholders of the Company to be held between the date of execution of the Non-Tender Agreements and the effective date of the Share Consolidation, (vii) the obligation to exercise rights in accordance with the instructions of the Offeror, at the general meeting of shareholders of the Company to be held on or after the effective date of the Share Consolidation, (viii) the obligation to indemnify in the event of a breach of any obligation or representations and warranties, (ix) the obligation to notify in the event of a breach of any representations and warranties or any other obligations, (x) confidentiality obligation, and (xi) non-assignment of contractual status or rights and obligations.

- (b) The Offeror and the Agreed Non-Tendering Shareholders confirm that the Agreed Non-Tendering Shareholders and other relatives of Mr. Nozawa will make the Reinvestment. The specific details of the Reinvestment will be separately agreed upon through good faith discussions between the Offeror and the Agreed Non-Tendering Shareholders.

## 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 the November 19, 2024 Company Press Release.

10. Matters Concerning Transactions with Controlling Shareholders

Not applicable

11. Other Matters

See the November 19, 2024 Company Press Release.

-End-



December 17, 2024

To the Board of Directors of FUJI SOFT INCORPORATED

## Additional Opinion

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 as the Committee’s judgement as of the date first above written.

Please note that, unless otherwise indicated, the terms used in this Additional Opinion 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**”), the additional opinion dated October 15, 2024 (the “**October 15 Additional Opinion**”), and the report dated November 18, 2024 (the “**November 18 Report**”).

**Part I. Background Leading to this Additional Opinion and Other Details**

**1. 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 Additional Opinion 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.
- (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) On December 11, the Company received from Bain Capital its proposal with respect to the terms and conditions of its tender offer (the "**Bain Capital Additional Proposal**"), which is summarized as follow (The tender offer to be made by Bain Capital under the following terms and conditions is hereinafter referred to as the "**Bain Capital Tender Offer.**").
- The proposal is legally binding. However, the proposal states that "there is a possibility that we may withdraw the content thereof regardless of your intentions."
  - Key terms of the tender offer
    - ① Tender offer price: 9,600 yen per share (the "**Bain Capital Additional Proposal Price**")
    - ② Minimum number of shares to be purchased: 21,370,674 shares; the percentage of ownership<sup>2</sup>: 33.91% (This is the level that can satisfy the so-called "majority of minority" condition, where the tender offer will not be able to consummated if the majority of the Company's shares held by the shareholders who have no interest in

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<sup>1</sup> The "percentage of voting rights held" refers to the ratio of the voting rights (rounded to two decimal places) 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.

<sup>2</sup> The "percentage of ownership" refers to the ratio of the voting rights (rounded to two decimal places) held by the relevant entity to the number of the voting rights (630,130) exercisable with the number of shares (63,013,071 shares), which is calculated using the following formula: (i) 67,400,000 shares, the issued shares of the Company as of September 30, 2024, which is stated in the Company's *Summary of Consolidated Financial Results for the First Three Quarters of Fiscal Year ending December 31, 2024 (Japanese Accounting Standards)*, minus (ii) 4,386,929 shares, the treasury shares held by the Company as of September 30, 2024.

Bain Capital or KKR do not approve the tender offer.)

- ③ Tender offer period: 30 business days, with the aim of commencing the tender offer in around late January or early February 2025.
  - Key conditions precedent to the commencement of the tender offer
    - ① The Company's Board of Directors has passed a resolution expressing its opinion that the Company supports the Bain Capital Tender Offer, which has been publicly announced in accordance with applicable laws, ordinances and regulations.
    - ② KKR Second Tender Offer is withdrawn or unsuccessful.
  - The Bain Capital Additional Proposal includes a proposal that Bain Capital will take measures necessary to ultimately take the Company private, even if the share consolidation cannot be achieved immediately after the Bain Capital Tender Offer. As a major shareholder of the Company, Bain Capital will provide full and thorough support for the Company's growth and improvement of the Company's corporate issues, regardless of the Company's shareholder composition, until the Company is successfully taken private.
  - Bain Capital requests that the Company disclose to Bain Capital the results of the Company's deliberation of the Bain Capital Additional Proposal during the period of the KKR Second Tender Offer (no later than December 19, 2024).
- (10) Based on the facts and events described above, the KKR Proposal and the Bain Capital Additional 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 Additional 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 Bain Capital Additional Proposal Price is 149 yen (approximately 1.58%) higher than the KKR Proposed Price.
  - In terms of corporate value, under the Bain Capital Additional Proposal, Bain Capital and KKR will coexist as major shareholders of the Company, which may lead to a deadlock between them with respect to matters requiring shareholders' special resolution, resulting in a concern that the Company's corporate value may be damaged.
  - In terms of the planned completion date of the payment to shareholders tendering their shares in the relevant tender offer, the tender offer in the Bain Capital Additional Proposal is expected to be approximately three months behind the KKR Second Tender Offer.
- (11) 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 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 by way of taking the Company private.

## **2. Activities of the Committee**

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

The activities of the Committee after the receipt of the Bain Capital Additional Proposal are as follows.

- (1) In connection with the KKR Second Tender Offer, the Committee took the following action.
  - ① The Committee asked KKR its intention to extend the tender offer period of the KKR Second Tender Offer or conduct another round of the tender offer, in light of the Bain Capital Additional Proposal.
- (2) In connection with the Bain Capital Additional Proposal, the Committee took the following actions.
  - ① The Committee sent a letter of questions to Bain Capital, asking primarily about the following matters, and received answers from Bain Capital:
    - The intention and reason for the statement “there is a possibility that we may withdraw the content thereof regardless of your intentions” (page 1 of the proposal);

- The reason why Bain Capital includes, as the condition precedent, the condition that the KKR Second Tender Offer be withdrawn or unsuccessful, in the Bain Capital Additional Proposal; and
  - Whether or not Bain Capital will update the proposal with respect to enhancement of the Company's corporate value.
- (3) The Committee held a total of one liaison meeting 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 three 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 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) ① Doubts remain as to enhancement of the corporate value compared to the KKR Proposal in terms of whether the Company can achieve an inorganic growth through a reorganization or other corporate actions that require shareholders' special resolutions at shareholders meetings because, due to the coexistence of major shareholders, the Bain Capital Additional Proposal involves the risk of a deadlock with respect to matters requiring shareholders' special resolution; and ② Because the Bain Capital Tender Offer is expected to be completed at least about three months later than the completion of the KKR Second Tender Offer and there is no possibility that the Bain Capital Tender Offer will be completed prior to the KKR Second Tender Offer, the Bain Capital Additional Proposal will delay the commencement of the implementation of measures to enhance the Company's corporate value to achieve the Medium-Term Management Plan 2028 by way of taking the Company private, further than the KKR proposal. Therefore, the Bain Capital Additional Proposal is also inferior to the KKR Proposal in terms of the present value of discounted future cash flows as a quantitative factor; while (ii) ① The KKR Proposed Price was determined after making all reasonable efforts to secure the interests of shareholders as required by the METI Guidelines, and therefore the Committee believes that the sufficiency as a price of the KKR Proposed Price has been confirmed; and ② While the difference between the Bain Capital Additional Proposal Price and the KKR Proposed Price is 149 yen

(approximately 1.58%), the KKR Proposed Price has a time value in the sense that it allows for an early conversion to cash, so there is little need for the Company to secure an opportunity for shareholders to sell their shares at the Bain Capital Additional Proposal Price.

- (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 to execute the Transaction by way of the Bain Capital Tender Offer and that the Bain Capital Tender Offer will not be commenced.

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

No circumstances have arisen during the period between the Committee's submission of the November 18 Report and the date of submission of this Additional Opinion that would overturn the Committee's opinion with respect to the KKR Second Tender Offer.

Accordingly, the Committee reiterates to the Board of Directors the same opinion with respect to the KKR Second Tender Offer as that the Committee stated in the November 18 Report.

## **Part III. Reasons of the Opinion**

### **1. Sincere Consideration of the Bain Capital Additional Proposal**

In light of Bain Capital's request that the Company disclose to Bain Capital the results of the Company's deliberation of the Bain Capital Additional Proposal during the period of the KKR Second Tender Offer (no later than December 19, 2024), the Committee gave "sincere consideration" to the Bain Capital Additional Proposal received by the Company on December 11, 2024.

### **2. Approaches That the Committee Has Taken into Account in Forming its Opinion**

In forming this Additional Opinion, the Committee especially took into account the following principles and approaches under METI Guidelines.

#### **(1) METI Guidelines Principle 1 (Principle of Corporate Value and Shareholders' Common Interests)**

Principle 1 in the METI Guidelines (Principle of Corporate Value and Shareholders' Common Interests) states that "Whether or not an acquisition is desirable should be determined on the basis of whether it will secure or enhance corporate value and the shareholders' common interests."

The METI Guidelines points out that “an acquisition should be materialized under transaction terms that increase the target company’s corporate value and ensure that the increase in corporate value is fairly distributed among the parties” (METI Guidelines, 2.2.2), and states that “when the board of directors decides on a direction toward reaching agreement of an acquisition,” “the board of directors of the target company should make reasonable efforts to ensure that the acquisition will be based on terms that will secure the interest which shareholders should enjoy, in addition to determining whether the acquisition is appropriate from the perspective of enhancing the company’s corporate value” (METI Guidelines, 3.2.1).

In other words, the METI Guidelines require that the board of directors of target companies make decisions on whether or not to accept a takeover offer, in principle, from the perspective of enhancing those target companies’ corporate value (the criterion for making such decisions is hereinafter referred to as the “**Corporate Value Based Criterion**”), while the METI Guidelines also require that the board of directors of target companies make reasonable efforts to ensure that the terms of the transaction will secure the interest that shareholders should enjoy.

However, METI Guidelines define corporate value as “the sum of the present values of discounted future cash flows generated by a company” (METI Guidelines, 1.4). Because corporate value is a “quantitative concept” (METI Guidelines, 2.2.2), “it is advisable to thoroughly compare [it], from a quantitative perspective” (METI Guidelines, 3.1.2), and the target company management “should not make the concept of corporate value unclear by emphasizing qualitative value, which is difficult to measure, nor should the “corporate value” concept be used as a tool for management to defend themselves (including management referring to retention of employees as an excuse to defend themselves)” (METI Guidelines, 2.2.2).

## **(2) Securing the Interest That Shareholders Should Enjoy**

The METI Guidelines require that target companies make reasonable efforts to ensure that the terms of the transaction will secure the interest that shareholders should enjoy. In particular, the METI Guidelines point out that if there is a competing proposal and “multiple proposals with different transaction terms are presented and become publicly known, the issue of whether the interests of shareholders are being considered (i.e., whether the best choice is being made regarding the price and other transaction terms) is particularly likely to be focused on, and the importance of the responsibility for explaining to the market likely will increase” (METI Guidelines, 3.2.1).

Furthermore, the METI Guidelines state that the board of directors “should make all reasonable efforts not only to enhance corporate value but also to secure interests of shareholders,” and



“notwithstanding such efforts being carried out, if the board of directors still makes an exceptional decision to endorse a proposal that is considered to be conducive to enhancing corporate value *but is not sufficiently priced* [emphasis added], the board of directors should fully explain the reasonableness of its decision” (METI Guidelines, 3.2.3).

However, the foregoing statement in the METI Guidelines merely require that the board of directors make all reasonable efforts and fulfill its accountability, and do not impose on the board of directors an obligation to always select the highest-priced acquisition proposal (this criterion is hereinafter referred to as the “**Acquisition Price Based Criterion**”). In Japan, there is currently no judicial code that expressly stipulates that directors should owe the so-called Revlon Duties (the duties to secure the best reasonably possible price for the interests of shareholders), and the METI Guidelines are based on the similar understanding as that stated here and do not require that directors fulfill the Revlon Duties.

### (3) Short Summary

In light of the foregoing approaches, in this situation where the KKR Proposal and the Bain Capital Additional Proposal coexist, the Company’s Board of Directors is required to take the following actions in accordance with the following code of conduct.

The Company’s Board of Directors should (i) determine the desirability of the acquisition offered in each proposal according to the Corporate Value Based Criterion from, to the extent possible, a quantitative perspective, and should not rely on the Acquisition Price Based Criterion.

However, (ii) the Company’s Board of Directors should make all reasonable efforts to secure the interests of shareholders from the perspective of securing the interests that shareholders should enjoy, and should determine whether each acquisition price is *not sufficiently priced*. Notwithstanding such efforts being carried out, if the Company’s Board of Directors still makes an exceptional decision to endorse the proposal that is considered to be conducive to enhancing corporate value but is *not sufficiently priced*, the Board of Directors should fully explain the reasonableness of its decision.

## 3. Reasons of the Opinion in Light of the Foregoing Approaches

### (1) Which Proposal Is Desirable in Light of the Corporate Value Based Criterion

#### ① Summary of the KKR Proposal and the Bain Capital Additional Proposal

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. The tender offer period of the KKR Second Tender Offer ends on December 19, 2024.

The Bain Capital Proposal also aims to ultimately enable Bain Capital to take the Company private on its own by acquiring all of the Company's shares. However, since KKR already holds approximately 34% of the Company's shares, 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. Assuming that KKR refuses to tender its shares in the Bain Capital Tender Offer, as it now does, and that the Bain Capital Tender Offer is consummated notwithstanding such refusal, the Bain Capital and the founding family will collectively hold a majority of the voting rights in the Company, while KKR will continue to hold approximately 34% of the Company's shares. In addition, the Bain Capital Tender Offer is scheduled to commence in around late January or early February 2025 with a tender offer period of 30 business days. Therefore, the Bain Capital Tender Offer is expected to be completed in mid-March 2025 at the earliest.

② Possibility of Dead Locks

As the Committee pointed out in the November 18 Report, if the Bain Capital Tender Offer is consummated, Bain Capital and KKR will coexist as major shareholders. Therefore, at the time of the Committee's submission of the November 18 Report, the Bain Capital Proposal entailed a risk that the Company may not be able to achieve an inorganic growth because, if Bain Capital and KKR disagree about the Company's decision-making, so-called a deadlock will occur and the shareholders will not be able to make important decisions, including those requiring shareholders' special resolution.

Since the Bain Capital Additional Proposal now sets the minimum number of shares to be purchased at 33.91% (percentage of ownership), if the Bain Capital Tender Offer is consummated, Bain Capital and the founding family will hold a majority of the Company's voting rights, and there will be no risk of a deadlock, at least with respect to matters requiring shareholders' ordinary resolution. However, there is still a risk of a deadlock with respect to matters requiring shareholders' special resolution, and 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.

In light of the foregoing, the Bain Capital Additional Proposal is inferior to the KKR Proposal in terms of the ability to achieve an inorganic growth through a reorganization or other corporate actions that require shareholders' special resolution. Therefore, the Committee doubts whether

the Bain Capital Additional Proposal will be able to enhance the Company's corporate value to the same extent as the KKR Proposal.

③ Prompt Achievement of the Medium-Term Management Plan 2028 by Way of Taking the Company Private

As the Committee pointed out in the November 18 Report, the Company has been expending a great deal of effort in dealing with this transaction, and the current situation is delaying the steady implementation of the Medium-Term Management Plan 2028 by way of taking the Company private and the enhancement of the Company's corporate value. This creates concerns that the Company's corporate value is being damaged.

In this regard, the tender offer period of the KKR Second Tender Offer ends on December 19, 2024, and if the KKR Second Tender Offer is consummated, it is possible for the Company to promptly cooperate with KKR to implement the measures to enhance its corporate value in order to achieve the Medium-Term Management Plan 2028 by way of taking the Company private. On the other hand, since the Bain Capital Tender Offer is scheduled to be completed in mid-March at the earliest, the Bain Capital Additional Proposal is at least about three months behind the KKR Proposal with respect to the timing of the commencement of the implementation of measures to enhance the Company's corporate value by way of taking the Company private.

In addition, the Bain Capital Additional Proposal requires, as a condition precedent to the commencement of the Bain Capital Tender Offer, that the KKR Second Tender Offer be withdrawn or unsuccessful. Therefore, there is no possibility that the Bain Capital Tender Offer will be completed prior to the KKR Second Tender Offer. In other words, the Bain Capital Additional Proposal will always lag behind the KKR Proposal with respect to the prompt achievement of the Medium-Term Management Plan 2028 by way of taking the Company private.

A delay in the commencement of the implementation of measures to enhance the Company's corporate value by way of taking the Company private as discussed above will lead to a delay in the realization of future cash flows that can be realized through the implementation of the measures to enhance the corporate value by way of taking the Company private. The more delayed the realization of the future cash flows through the implementation of the measures to enhance the corporate value by way of taking the Company private is, the lower the present value of discounted future cash flows will be. Therefore, the fact that the Bain Capital Additional Proposal is inferior to the KKR Proposal in terms of the timing of the achievement of the Medium-Term Management Plan 2028 by way of taking the Company private means that the

Bain Capital Additional Proposal is also inferior to the KKR Proposal from a quantitative perspective.

④ The Management of the Company Does Not Intend to Defend Themselves

The METI Guidelines state that the target company management “should not make the concept of corporate value unclear by emphasizing qualitative value, which is difficult to measure, nor should the “corporate value” concept be used as a tool for management to defend themselves (including management referring to retention of employees as an excuse to defend themselves)” (METI Guidelines, 2.2.2).

In this regard, neither the KKR Proposal nor the Bain Capital Additional Proposal induces the management of the Company, including the members of the Committee, to defend themselves further than the other (competing) proposal. Therefore, the adoption of either proposal would not motivate the management of the Company to emphasize the Company’s qualitative corporate value for the purpose of defending themselves. In addition, the Committee understands that, in the actual discussions, the management shows no intention of defending themselves.

⑤ Short Summary

As discussed above, in light of the Corporate Value Based Criterion, the KKR Proposal is more desirable for the Company.

**(2) Whether the Proposal Secures the Interest That Shareholders Should Enjoy**

① Background to the Proposed Prices

As stated in the August 7 Report, the Company received from KKR, in a competitive environment equivalent to a “proactive market check,” a proposal that the tender offer price be 8,800 yen per share. The Committee believes that this price has reasonableness as the terms of this transaction, as stated in the August 7 Report in the section about the facts and the results of the Committee’s deliberation (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).

In this transaction, it was determined in the first place that 3DIP and Farallon would sell their

20,667,670 shares (approximately 33%) to KKR. Later, the structure of the original offer was changed into the one that constitutes the KKR First Tender Offer. Then the KKR First Tender Offer was consummated and the structure of the KKR Second Tender Offer was changed to a structure 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 only function as a measure to ensure the fairness of the takeover in limited situations. Therefore, it is understood that implementing the “market checks” in such a takeover is largely ineffective. However, in order to ensure that the “market checks” would function, the Committee took the utmost care by taking the additional measures as follows, even on and after August 7, 2024.

- 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 requested that Bain Capital provide a legally binding proposal that clearly states the highest possible price for this transaction, in the Committee’s letter to Bain Capital “Information on Due Diligence Investigations to Provide a Legally Binding Proposal” dated August 23, 2024, when the Committee agreed that Bain Capital would conduct due diligence investigations on and after the same date.
- The Committee received from Bain Capital a legally binding proposal that the tender offer price be 9,450 yen per share.
- The Committee asked KKR about its intention to increase the tender offer price for the KKR Second Tender Offer.
- The Committee received from KKR a proposal that the tender offer price for the KKR Second Tender Offer be increased to 9,451 yen per share.

② Evaluation of These Tender Offer Prices

As discussed above, in this transaction, it can be said that procedures similar to bidding have been conducted on two separate occasions: (i) submission of the Bain Capital Proposal that the tender offer price be 9,450 yen per share, and (ii) submission of the KKR Proposed Price of 9,451 yen per share. With these submissions, the competitive process has been sufficiently conducted and closed. The KKR Proposed Price is the highest price after such a fair process.

In addition, while there is a difference of 149 yen (approximately 1.58% as shown in a percentage) between the Bain Capital Additional Proposal Price (9,600 yen) and the KKR

Proposed Price (9,451 yen), the KKR Proposed Price is superior to the Bain Capital Additional Proposal Price because the KKR Proposed Price has a time value in the sense that it allows for a conversion to cash approximately three months earlier than the Bain Capital Additional Proposal Price. Moreover, the Bain Capital Additional Proposal requires, as a condition precedent to the commencement of the Bain Capital Tender Offer, that the KKR Second Tender Offer be withdrawn or unsuccessful. Therefore, there is no possibility that the Bain Capital Tender Offer will be completed prior to the KKR Second Tender Offer. Accordingly, in terms of a time value, the Bain Capital Additional Proposal is always inferior to the KKR Proposal.

③ Short Summary

As discussed above, it is obvious that the Company has at least made all reasonable efforts to secure the interests of shareholders as required by the METI Guidelines.

In addition, the Committee believes that the sufficiency as a price of the KKR Proposed Price has been confirmed, and that the KKR Proposal can be considered not to constitute a proposal that is *not sufficiently priced*. Therefore, it may be possible even to say that the decision of the Company's Board of Directors to support the KKR Proposal *is not* "an exceptional decision to endorse a proposal that is *not sufficiently priced*" as referred to in the METI Guidelines.

Even if the decision of the Company's Board of Directors to support the KKR Proposal *is* "an exceptional decision to endorse a proposal that is *not sufficiently priced*," the Committee believes that the Company has already fully explained the reasonableness of its decision, as discussed in this Additional Opinion.

**(3) Conclusion**

As discussed in subsection (1) above, when comparing the KKR Proposal and the Bain Capital Additional Proposal with respect to their ability to enable the Company to achieve an inorganic growth through a reorganization or other corporate actions that require shareholders' special resolution, the Bain Capital Additional Proposal entails a risk of a deadlock. Furthermore, the Bain Capital Tender Offer is expected to be at least about three months behind the KKR Second Tender Offer with respect to the timing of the commencement of the implementation of measures to enhance the Company's corporate value by way of taking the Company private. Therefore, the KKR Proposal, which enables the Company to implement the measures to enhance its corporate value in order to promptly achieve the Medium-Term Management Plan 2028 by way of taking the Company private, is superior in terms of the present value of discounted future cash flows as a quantitative factor. Accordingly, the Committee believes that it is difficult to overturn the

evaluation that the KKR Proposal is the most desirable for the Company in terms of enhancement of the corporate value.

Further, as discussed in subsection (2) above, the sufficiency as a price of the KKR Proposed Price has been confirmed, and the Committee has no concerns about the KKR Proposed Price in terms of securing the interests of shareholders. In addition, while there is a difference of 149 yen (approximately 1.58% as shown in a percentage) between the Bain Capital Additional Proposal Price (9,600 yen) and the KKR Proposed Price (9,451 yen), the KKR Proposed Price is superior to the Bain Capital Additional Proposal Price because the KKR Proposed Price has a time value in the sense that it allows for a conversion to cash approximately three months earlier than the Bain Capital Additional Proposal Price. Therefore, there is little need for the Company to express its opinion that the Company supports the Bain Capital Additional Proposal and to secure an opportunity for shareholders to sell their shares at the Bain Capital Additional Proposal Price.

Accordingly, the Committee believes that the most faithful conclusion to the METI Guidelines is that the Company should maintain its opinion that the Company supports the KKR Second Tender Offer and should express its opinion that the Company opposes the Bain Capital Additional Proposal.

#### **(4) Other Important Factors in Making Judgements**

While subsections 3.(1) through (3) above describe all of the Committee's deliberations in forming its opinion, the Committee also deliberated on the issues unique to this transaction, which are discussed below.

##### **① Bain Capital's Response to the Company's Request for Destruction of the Company's Information**

In the November 18 Report, the Committee stated an opinion that the Board of Directors should demand that Bain Capital destroy the Company's information in accordance with the non-disclosure agreement between Bain Capital and the Company, and the Company actually demanded that Bain Capital destroy the Company's information. However, Bain Capital did not respond to this demand. The Committee presumes that the Bain Capital Additional Proposal, which was offered under such circumstances, was made by using the confidential information provided by the Company to Bain Capital.

The Company has maintained the competitive environment to the extent possible and has provided Bain Capital with the Company's information to make sure that the "market checks"

are effectively functioning. The Company took this approach for the sake of continued fairness of procedures of this transaction, thereby ensuring that the interests of shareholders are secured. However, despite the fact that Bain Capital is a participant in those procedures, Bain Capital intentionally took such an action that is considered a breach of the non-disclosure agreement between Bain Capital and the Company. Such action by Bain Capital can be deemed the demonstration of Bain Capital's depreciation of the fairness of procedures of this transaction.

These issues constitute one of the factors leading to the Committee's reluctance to give a positive evaluation to the Bain Capital Additional Proposal.

② Possibility to Withdraw the Bain Capital Additional Proposal

Bain Capital's letter dated December 11, 2024 entitled "Proposal to Privatize FUJI SOFT INCORPORATED" states that "This letter shall remain our legally binding proposal with respect to the Transaction, but there is a possibility that we may withdraw the content thereof regardless of your intentions."

The Committee asked Bain Capital about a possibility that Bain Capital will withdraw the Bain Capital Additional Proposal. Bain Capital's answers are: (i) Bain Capital will not one-sidedly withdraw the Bain Capital Additional Proposal as long as the Company gives "sincere consideration" to the proposal; (ii) If the Company's Board of Directors supports the Bain Capital Additional Proposal prior to the withdrawal of the Bain Capital Additional Proposal, Bain Capital plans to commence the Bain Capital Tender Offer; and (iii) Bain Capital remains open to withdrawing the Bain Capital Additional Proposal if Bain Capital determines that it is highly unlikely that the Company's Board of Directors will adopt a resolution in favor of the Bain Capital Tender Offer.

However, even assuming that the above-mentioned Bain Capital's answers are true, Bain Capital still has discretion to determine whether or not the Company is giving "sincere consideration" to the Bain Capital Additional Proposal or whether or not it is likely that the Company's Board of Directors will adopt a resolution in favor of the Bain Capital Tender Offer. Therefore, it is difficult to concretely predict when Bain Capital will decide to withdraw the Bain Capital Additional Proposal.

Although Bain Capital clearly states that Bain Capital will never withdraw the Bain Capital Additional Proposal as long as the Company's Board of Directors supports it, the Committee cannot help but makes an evaluation that, during the period until the Company's Board of Directors completes the formation of its opinion, the possibility of Bain Capital's withdrawing the Bain Capital Additional Proposal remains at Bain Capital's discretion. This nature of the



Bain Capital Additional Proposal constitutes one of the factors leading to the Committee's reluctance to give a positive evaluation to the Bain Capital Additional Proposal.

**(5) Regarding Coercion**

As stated in the November 18 Report, the Bain Capital Proposal has the issue of coercion and the Committee cannot help but give the Bain Capital Proposal a critical evaluation that the Bain Capital Proposal does not have sufficient measures to deal with coercion, because:

- 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 their shares or filing a claim for court's determination of the share price.

The Bain Capital Additional Proposal now sets the minimum number of shares to be purchased, thereby eliminating the risk of a deadlock with respect to matters requiring shareholders' ordinary resolution. This has resulted in a lower risk of damage to the Company's corporate value compared to the previous one. Bain Capital has taken measures to reduce coercion by confirming that a majority of shareholders give approval to the proposal.

Therefore, the Committee believes that Bain Capital has taken measures at an acceptable level to reduce coercion, and the degree of coercion has decreased.

However, the Bain Capital Additional Proposal still has a problem that shareholders of the Company are not guaranteed to have an opportunity to seek legal remedies by exercising the right to sell out their shares or filing a claim for court's determination of the share price. Moreover, the Bain Capital Tender Offer may cause the Company to fail to satisfy the relevant stock exchange's listing criteria. In the event that the period stipulated in the exchange's delisting criteria has passed while the Company remains in such violation of the listing criteria, Bain Capital plans to

conduct another round of the tender offer at the same price as that of the Bain Capital Tender Offer to give shareholders a reasonable opportunity to sell out their shares. However, such an opportunity may be given to the remaining shareholders only when Bain Capital reasonably determines that it is highly likely that the remaining shareholders will be materially disadvantaged. Bain Capital does not necessarily ensure that the remaining shareholders will certainly be given an additional opportunity to sell out their shares.

#### **4. Conclusion**

##### **(1) Regarding the Bain Capital Tender Offer**

- ① Whether the Committee will recommend to the Board of Directors that the Company execute the Transaction 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) ① Doubts remain as to enhancement of the corporate value compared to the KKR Proposal in terms of whether the Company can achieve an inorganic growth through a reorganization or other corporate actions that require shareholders' special resolutions at shareholders meetings because, due to the coexistence of major shareholders, the Bain Capital Additional Proposal involves the risk of a deadlock with respect to matters requiring shareholders' special resolution; and ② Because the Bain Capital Tender Offer is expected to be completed at least about three months later than the completion of the KKR Second Tender Offer and there is no possibility that the Bain Capital Tender Offer will be completed prior to the KKR Second Tender Offer, the Bain Capital Additional Proposal will delay the commencement of the implementation of measures to enhance the Company's corporate value to achieve the Medium-Term Management Plan 2028 by way of taking the Company private, further than the KKR proposal. Therefore, the Bain Capital Additional Proposal is also inferior to the KKR Proposal in terms of the present value of discounted future cash flows as a quantitative factor; while (ii) ① The KKR Proposed Price was determined after making all reasonable efforts to secure the interests of shareholders as required by the METI Guidelines, and therefore the Committee believes that the sufficiency as a price of the KKR Proposed Price has been confirmed; and ② While the difference between the Bain Capital Additional Proposal Price and the KKR Proposed Price is 149 yen (approximately 1.58%), the KKR Proposed Price has a time value in the sense that it allows for

an early conversion to cash, so there is little need for the Company to secure an opportunity for shareholders to sell their shares at the Bain Capital Additional Proposal Price.

- 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 to execute the Transaction by way of the Bain Capital Tender Offer and that the Bain Capital Tender Offer will not be commenced.

**(2) Regarding the KKR Second Tender Offer**

No circumstances have arisen during the period between the Committee's submission of the November 18 Report and the date of submission of this Additional Opinion that would overturn the Committee's opinion with respect to the KKR Second Tender Offer.

Accordingly, the Committee reiterates to the Board of Directors the same opinion with respect to the KKR Second Tender Offer as that the Committee stated in the November 18 Report.

End