



August 8, 2024

To all parties concerned,

Company FUJI SOFT INCORPORATED  
Representative Satoyasu Sakashita, President &  
Representative Director  
(Ticker code: 9749 TSE Prime Market)  
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### **Notice regarding Expression of Opinion in Support of the Planned Commencement of the Tender Offer for the Company Share Certificates by FK Co., Ltd. and Recommendation to Tender Shares**

At the meeting of the Board of Directors held today, the Company passed a resolution to express an opinion as follows in support of the tender offer for the common shares of the Company (the “Company Shares”) and the stock acquisition rights of the Company (defined in “(2) Stock Acquisition Rights” in “2. Tender Offer Price” below, hereinafter the same, and the Company Shares and the Stock Acquisition Rights are hereinafter collectively referred to as the “Company Share Certificates”) by FK Co., Ltd. (the “Offeror,” and that tender offer, the “Tender Offer”) as the Company’s current opinion if the Tender Offer is commenced 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 Tender Offer.

According to the Offeror, it is necessary to obtain clearances (the “Clearances”) related to permissions, authorizations, licenses, approvals, consents, registrations, notifications, and other similar acts and procedures required under competition laws in Japan and Vietnam as well as the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949, as revised, the “Foreign Exchange Act,” and those permissions, etc., collectively, the “Permissions”), and there might also be a need to obtain Permissions under laws and regulations related to inward direct investment in a foreign country (specifically Belgium). Notifications were made on August 2, 2024 with respect to the procedures under competition laws in Japan and on August 2, 2024 with respect to the procedures under the Foreign Exchange and Foreign Trade Act of Japan, and preparations for notifications under competition laws in Vietnam are currently being made and those notifications will be submitted as soon as preparations are complete, but those procedures have not been completed as of the date of this Press Release, and given that it is expected that the procedures related to obtaining the Clearances will take some time, it is expected the Tender Offer will promptly commence if conditions including completion of the acquisition of the Clearances (Note 1) (those conditions, the “Conditions Precedent”) are satisfied or waived by the Offeror. Further, regarding the permissions and approvals under laws and regulations related to inward direct investment in a foreign country (specifically Belgium), notifications might not be required depending on the views of the relevant authorities concerning the Company’s business activities in that country and the attributes of the Offeror. The Offeror therefore intends to verify the views of the relevant authorities and determine the necessity of those notifications based on legal advice from local law firms promptly after the date of this Press Release.

As of the date of this Press Release, the Offeror aims, based on discussions with a local law firm in Vietnam concerning procedures for the Clearance, to commence the Tender Offer in the middle of September 2024, but since it is difficult to accurately estimate the amount of time required for the procedures of authorities with jurisdiction over the procedures for the Clearance, the detailed schedule for the Tender Offer will be promptly announced as soon as it is decided. Any changes to the expected timing of the commencement of the Tender Offer will be announced promptly.

(Note 1) It is planned that the Offer will commence promptly once the following Conditions Precedent are satisfied or waived by the Offeror:

- (1) the Special Committee (as defined below; the same shall apply hereinafter) established by the Company's Board of Directors in relation to the Transaction (as defined in "(a) Overview of the Tender Offer" in "(2) Grounds and Reasons for Opinion" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" below; the same shall apply hereinafter) has made a report containing positive opinions about the Company's Board of Directors' expression of opinion to support the Tender Offer, and that report has not been changed or withdrawn;
- (2) the Company's Board of Directors has adopted a resolution expressing its opinion in support of the Tender Offer, and that fact has been published in accordance with laws and regulations, and such expression of the opinion has not been changed or withdrawn;
- (3) there have been no judgments or decisions by judicial or administrative authorities restricting or prohibiting the Transaction or tendering under the 3DIP Tender Agreement (as defined in "(a) Overview of the Tender Offer" in "(2) Grounds and Reasons for Opinion" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" below; the same shall apply hereinafter) or the Farallon Tender Agreement (as defined in "(a) Overview of the Tender Offer" in "(2) Grounds and Reasons for Opinion" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" below; the same shall apply hereinafter), and there are no specific risks of the foregoing;
- (4) (I) the Company and its subsidiaries have not determined matters set forth in Article 14, paragraph (1), item (i), (a) through (j) as well as (m) through (s) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "Order"), (II) matters set forth in Article 14, paragraph (1), item (iii), (a) through (h) as well as Article 14, paragraph (1), item (iv) of the Order have not occurred at the Company, (III) matters set forth in Article 14, paragraph (1), item (iii), (a) through (g) of the Order have not occurred at the Company's important subsidiaries, (IV) matters set forth in Article 14, paragraph (1), items (iii) through (iv) of the Order have not occurred at the Company, and (V) there have been no situations in which it was discovered that any of the statutory disclosure documents submitted by the Company in the past contained a false statement regarding a material matter or omitted a material matter that should have been included, where the Offeror is unaware of the false statement or omission and could not become aware of the same despite having used a reasonable degree of care (however, in any of (I) through (IV), excluding those described as minor in Article 26 of the Cabinet Office Order on Disclosure Required for a Tender Offer for Shares by Persons Other than the Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; the "Cabinet Office Order"));
- (5) no event has occurred that could have a material adverse effect on the business, financial condition, management situation, assets, liabilities, cash flow or future prospects of the Company group (as defined in "(i) Business Environment of the Company" in "(b) Background, Purpose, and Decision-Making Process Leading to the Offeror's Decision to Conduct the Tender Offer and Management Policy Following the Tender Offer" in "(2) Grounds and Reasons for Opinion" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" below; the same shall apply hereinafter), or on relevant economic or market conditions, and no other events have occurred in the Tender Offer Group that are reasonably considered by the Offeror to have a material impact on the Offeror's decision to commence the Tender Offer;
- (6) obligations to be performed or complied with by 3DIP (as defined in "(a) Overview of the Tender Offer" in "(2) Grounds and Reasons for Opinion" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" below; the same shall apply hereinafter) by the commencement date of the Tender Offer under the 3DIP Tender Agreement have been performed or complied with in all material respects;
- (7) all of the representations and warranties of 3DIP set forth in the 3DIP Tender Agreement are true and accurate in material respects;
- (8) obligations to be performed or complied with by Farallon (as defined in "(a) Overview of the Tender Offer" in "(2) Grounds and Reasons for Opinion" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" below; the same shall apply hereinafter) by the commencement date of the Tender Offer under the Farallon Tender Agreement have been performed or complied with in all material respects;
- (9) all of the representations and warranties of Farallon set forth in the Farallon Tender Agreement are true and accurate in material respects;
- (10) confirmation has been obtained from the Company that there are no material facts (those set forth in Article 166,

paragraph (2) of the Act) concerning the business or other particulars related to the Company that have not been disclosed (having the meaning set forth in Article 166, paragraph (4) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”)) by the Company; and

(11) acquisition of the Clearance has been completed.

For details of the obligations of 3DIP in (6), details of the representations and warranties of 3DIP in (7), and other details of the 3DIP Tender Agreement, please refer to “(1) 3DIP Tender Agreement” in “4. Important Agreements Relating to the Tender Offer Between the Offeror and the Company’s Shareholders” below, and for details of the obligations of Farallon in (8), details of the representations and warranties of Farallon in (9), and other details of the Farallon Tender Agreement, please refer to “(2) Farallon Tender Agreement” in “4. Important Agreements Relating to the Tender Offer Between the Offeror and the Company’s Shareholders” below.

As of the date of this Press Release, the Offeror is not aware of any fact constituting a material obstacle to the satisfaction of the Conditions Precedent. In addition, based on legal advice provided from a local law firm in Vietnam, the Offeror will carry out procedures and measures required to obtain the Clearance for the satisfaction of the Conditions Precedent. KKR (defined in “(i) Overview of the Tender Offer” in “(2) Grounds and Reasons for Opinion” in “3. Details, Grounds and Reasons for the Opinion on the Tender Offer” below, hereinafter the same) is proceeding with preparations necessary for those procedures and measures and intends to continue to consult with authorities, etc. with jurisdiction over the procedures for the Clearance with the aim of carrying out the necessary procedures.

For this reason, as described in “(iv) Establishment of an Independent Special Committee by the Company and Obtaining a Report from the Special Committee” in “(6) Measures to Ensure Fairness in the Tender Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “3. Details, Grounds and Reasons for the Opinion on the Tender Offer” below, the Company has resolved at the meeting of the Board of Directors held on the date of the Press Release to request that, when the Tender Offer is commenced, the special committee established by the Company (the “Special Committee”) consider whether there has been any change in the opinion of the Special Committee in its report dated August 7, 2024 (the “August 7 Report”) submitted to the Company’s Board of Directors, and if there has not been any change to its previous opinion, to state that fact, or if there has been a change, to state its revised opinion, and to express a new opinion regarding the Tender Offer based on that opinion at the time the Tender Offer commences.

For details of the members of the Special Committee and the specific activities of the Special Committee, see “(iv) Establishment of an Independent Special Committee by the Company and Obtaining a Report from the Special Committee” in “(6) Measures to Ensure Fairness in the Tender Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “3. Details, Grounds and Reasons for the Opinion on the Tender Offer” below.

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

#### 1. Overview of the Offeror

(1) Name	FK Co., Ltd.
(2) Location	11 F Meiji Yasuda Life Insurance Bldg, 1-1 Marunouchi 2-chome, Chiyoda-ku, Tokyo
(3) Name and Title of Representative	Michael Longo, Representative Director
(4) Businesses	Commercial business and all businesses related to commercial business
(5) Capital	JPY 5,000
(6) Date of Incorporation	July 26, 2024
(7) Major Shareholders and Shareholding Ratio	FK Holdings Co., Ltd. 100.00%
(8) Relationship Between the Listed Company and the Offeror	
Capital Relationships	Not applicable

Personnel Relationships	Not applicable
Business Relationships	Not applicable
Applicability to the Related Parties	Not applicable

## 2. Tender Offer Price

- (1) JPY 8,800 per common share
- (2) Stock Acquisition Rights
  - (i) JPY 1,067,000 per stock acquisition right for the Fifth Series Stock Acquisition Rights issued based on a resolution of the Board of Directors held on March 29, 2022 (the “Fifth Series Stock Acquisition Rights”) (exercise period from April 1, 2024 to March 29, 2027) (the “Fifth Series Stock Acquisition Rights Tender Offer Price”)
  - (ii) JPY 929,600 per stock acquisition right for the Sixth Series Stock Acquisition Rights issued based on a resolution of the Board of Directors held on March 28, 2023 (the “Sixth Series Stock Acquisition Rights”) (exercise period from April 1, 2025 to March 28, 2028) (the “Sixth Series Stock Acquisition Rights Tender Offer Price”)
  - (iii) JPY 228,100 per stock acquisition right for the Seventh Series Stock Acquisition Rights issued based on a resolution of the Board of Directors held on March 26, 2024 (the “Seventh Series Stock Acquisition Rights,” and the Fifth Series Stock Acquisition Rights, the Sixth Series Stock Acquisition Rights, and the Seventh Series Stock Acquisition Rights, collectively, the “Stock Acquisition Rights”) (exercise period from March 27, 2026 to March 24, 2034) (the “Seventh Series Stock Acquisition Rights Tender Offer Price”)

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

### (1) Details of the Opinion

The Company resolved at a meeting of its Board of Directors held on the date of this Press Release to express its support for the Tender Offer as its current opinion and to recommend that the Company’s shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the Tender Offer, if the Tender Offer has commenced, based on the grounds and reasons set out in “(2) Grounds and Reasons for Opinion” below.

As mentioned above, the Offeror intends to promptly implement the Tender Offer once the Conditions Precedent have been satisfied or waived by the Offeror. According to the Offeror, as of the date of this Press Release, it aims to commence the Tender Offer in the middle of September 2024. However, since it is difficult to accurately predict the time required for the procedures of authorities with jurisdiction over the procedures for the Clearance, the Offeror will announce the details of the Tender Offer schedule as soon as they are determined.

For that reason, as described in “(iii) Process and Reasons for the Decision-Making of the Company” in “(2) Grounds and Reasons for Opinion” below, the Company resolved at the above meeting of the Board of Directors to (a) ask the Special Committee to consider whether there is any change to the August 7 Report submitted by the Special Committee to the Board of Directors on August 7, 2024 upon the commencement of the Tender Offer and, if there has not been any change, to inform the Board of Directors of that fact, or, if there has been a change, to inform the Board of Directors of its opinion after that change and (b) express its opinion on the Tender Offer again upon the commencement of the Tender Offer in light of that opinion.

Please note that the above resolution of the Board of Directors was made in the manner set out in “(g) Approval of All Directors With No Interest in the Company and Opinion of No Objection of All Company Auditors With No Interest in the Company” in “(6) Measures to Ensure Fairness in the Tender 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 Opinion

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

(a) Overview of the Tender Offer

The Offeror is a stock company established on July 26, 2024, the principal business of which is to acquire and own the Company Share Certificates through the Tender Offer, and to control and manage the business activities of the Company after the completion of the Tender Offer. As of today, all of its issued shares are owned by FK Holdings Co., Ltd. (“Offeror Parent Company”), a stock company established on July 26, 2024. In addition, as of today, FK Investment L.P. (“KKR Fund”), a limited partnership established under the laws of Ontario, Canada on July 24, 2024, which is indirectly operated by Kohlberg Kravis Roberts & Co. L.P. (including affiliates and related funds; “KKR”), an investment advisory firm established under the laws of Delaware, U.S.A., owns all of the issued shares of the Offeror Parent Company. The Offeror, the Offeror Parent Company, and the KKR Fund do not own the Company Shares as of today.

KKR is an international investment company that was established in 1976, which has approximately 578 billion dollars in assets under management throughout the world, including private equity investments; the shares of KKR are listed on the New York Stock Exchange. KKR has an investment philosophy that focuses on investing with a long-term perspective based on partnerships with management. As a partner to companies and their management with excellent business foundations and potential, KKR aims to create a leading company in the industry by utilizing the various management resources, knowledge, and networks of KKR.

Since the opening of its Tokyo office in 2006, KKR has been expanding its investment activities in the Japanese market actively; it is operated by employees who are well aware of commercial business practices in Japan and have a range of backgrounds. In particular, with respect to tender offers, it is considered that KKR leverages the strengths of its global network and has leading operational experience as a private equity fund in Japan, for example, having achieved tender offers for Hitachi Transport System, Ltd. (currently LOGISTEED, Ltd.; “LOGISTEED”) in 2022 (the largest M&A transaction in Japan) (total purchase amount: 449.2 billion yen), and Calsonic Kansei Corporation (currently Marelli Corporation) (total purchase amount: 345.5 billion yen), Hitachi Koki Co., Ltd. (currently Koki Holdings Co., Ltd.) (total purchase amount: 88.2 billion yen) and Hitachi Kokusai Electric Inc. (currently KOKUSAI ELECTRIC CORPORATION; “KE”) (total purchase amount: 143.9 billion yen) in 2017. In particular, with respect to KE, after a corporate split following its delisting, in partnership with KKR, as a specialized manufacturer of semiconductor manufacturing equipment, KE deals in the manufacture and sale of coating equipment and treatment equipment for front-end processes, and has established a rock-solid management base, for example, by having the No. 1 worldwide share in the batch ALD equipment field (2023) (Source: “TI\_ALD Tools\_Yearly” by TechInsights Inc. (VLSI) in April 2024). Thereafter, considering not only the recovery in the semiconductor cycle, but also that the market environment in which the demand for coating/treatment technology of which KE takes advantage is expected to continue to increase, given an industry environment in which semiconductor devices become smaller and more complex at an accelerating rate, KE achieved re-listing of its shares on the Prime Market of the Tokyo Stock Exchange, Inc. (“TSE”) in October 2023. Currently, KE has grown to have a market capitalization of more than 800 billion yen (as of August 7, 2024), and KE is believed to be an example of KKR’s aspiration to “create a leading company in the industry by utilizing the various management resources, knowledge and networks of KKR.”

In addition, KKR is considered to have extensive investment and management experience in the IT and software fields and DX (Note 1) field related to the business of the Company. In March 2021, KKR acquired shares of Seiyu Co., Ltd., a major supermarket company under the umbrella of Walmart Inc., jointly with Rakuten DX Solution G.K., a subsidiary of Rakuten, Inc. (currently Rakuten Group, Inc.; “Rakuten”), and supports the promotion of DX by fusing the internet with real-life retail through the alliance with Rakuten. For companies with such high growth potential in the future, KKR takes measures to support acceleration of the companies’ growth and system development by providing KKR’s capital, human resources, and

network. In March 2022, KKR acquired Yayoi Co., Ltd. (“Yayoi”), which provides business software and has the No. 1 share in Japan in cloud accounting software for sole proprietors (Source: “Survey of Use of Cloud Accounting Software (March 31, 2024)” by MM Research Institute, Ltd.), from ORIX Corporation. While more than 99% of Japanese companies are small and medium-sized enterprises (as defined in Article 2, paragraph (1) of the Basic Act on Small and Medium-Sized Enterprises (Act No. 154 of July 20, 1963) (Note 2)), Yayoi is considered to play a key role in supporting improvements to business efficiency and enhancement of productivity in small and medium-sized enterprises, as well as promoting DX and cloud computing; therefore, Yayoi seems to have considerable room for future growth. KKR is considered to have extensive global investment experience in the software, cloud, and SaaS (Note 3) fields, and KKR is supporting Yayoi’s new growth using its experience and knowledge.

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

(Note 2) “Small and medium-sized enterprises” means (i) companies with stated capital or total contribution amounts of 0.3 billion yen or less and companies and individuals with 300 or fewer full-time employees, which engage in manufacturing business, construction business, transportation business and other businesses (excluding wholesale business, service business and retail business) as their principal business; (ii) companies with stated capital or total contributions of 0.1 billion yen or less and companies and individuals with 100 or fewer full-time employees, which engage principally in the wholesale business; (iii) companies with stated capital or total contributions of 50 million yen or less and companies and individuals with 100 or fewer full-time employees, which engage principally in service businesses; and (iv) companies with stated capital or total contributions of 50 million yen or less and companies and individuals with fifty or fewer full-time employees, which engage principally in retail businesses.

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

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

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

KKR is also focusing on investment activities in the real estate field in Japan. In April 2022, KKR acquired a real estate management company, Mitsubishi Corp.-UBS Realty Inc. (currently KJR Management, “KJRM”) from Mitsubishi Corporation and UBS Group AG. By utilizing the resources and network of KJRM, which has a strong business foundation

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

In addition, starting with its 2010 investment in Intelligence, Ltd., which provides comprehensive human resources services, in 2014 KKR supported Panasonic Healthcare Co., Ltd. ("PHC") in achieving independence from Panasonic Corporation, in 2015 KKR invested in the DJ equipment business (currently, Pioneer DJ Corporation), a division of Pioneer Corporation, in 2016 PHC acquired the diabetes care business of Bayer Aktiengesellschaft and its subsidiary, Bayer Healthcare, and in 2019 KKR acquired the anatomical pathology business (currently EpreDia) of Thermo Fisher Scientific, Inc. and acquired LSI Medience Corporation, a major Japanese clinical laboratory under the umbrella of Mitsubishi Chemical Holdings Corporation. Thus, by expanding its investment activities in the Japanese market and promoting both organic (i.e., a method using existing management resources) and inorganic (i.e., via an alliance with another company, acquisition of another company, or other means) growth strategies, as well as promoting improvement of profitability and business efficiency, KKR is working to support business growth and enhance the corporate value of the investee companies.

Subject to the satisfaction or waiver by the Offeror of the Conditions Precedent, the Offeror has decided as of today to implement the Tender Offer in which the Offeror is made the sole shareholder of the Company, as part of a series of transactions aimed at privatizing the Company Shares listed on the TSE's Prime Market (the "Transaction"), to which the Company Shares (including the restricted shares of the Company granted to the directors and executive officers of the Company as restricted stock compensation (hereinafter referred to as the "Restricted Shares") and the Company Shares to be delivered upon the exercise of the Stock Acquisition Rights, excluding the treasury shares held by the Company; the same shall apply hereinafter) and all of the Stock Acquisition Rights are subject.

The Offeror executed an agreement as of August 8, 2024 with 3D Investment Partners Pte. Ltd. ("3DIP"), the largest shareholder of the Company, to tender all of the Company Shares for which 3DIP has investment authority (number of shares held: 14,834,000 shares, Ownership Ratio (Note 5: 23.46%) in the Tender Offer ("3DIP Tender Agreement"). In addition, the Offeror executed an agreement with Farallon Capital Partners, L.P. (number of shares held: 444,992 shares, Ownership Ratio (0.70%), Farallon Capital Institutional Partners, L.P. (number of shares held: 702,957 shares, Ownership Ratio (1.11%), Four Crossings Institutional Partners V, L.P. (number of shares held: 108,631 shares, Ownership Ratio (0.17%), Farallon Capital Institutional Partners II, L.P. (number of shares held: 150,040 shares, Ownership Ratio (0.24%), Farallon Capital Offshore Investors II, L.P. (number of shares held: 1,754,833 shares, Ownership Ratio (2.77%), Farallon Capital F5 Master I, L.P. (number of shares held: 314,460 shares, Ownership Ratio (0.50%), Farallon Capital (AM) Investors, L.P. (number of shares held: 57,458 shares, Ownership Ratio (0.09%), Farallon Capital Institutional Partners III, L.P. (number of shares held: 76,299 shares, Ownership Ratio (0.12%), and Cabrillo Funding Ltd. (number of shares held: 2,224,000 shares, Ownership Ratio (3.52%), (collectively, "Farallon"; 3DIP and Farallon are referred to collectively as the "Tendering Shareholders"), shareholders of the Company, to tender all of the Company Shares held by Farallon (number of shares held: 5,833,670 shares,

Ownership Ratio: 9.22%) in the Tender Offer (“Farallon Tender Agreement”; the 3DIP Tender Agreement and the Farallon Tender Agreement are collectively referred to as the “Tender Agreements,” and the Company Securities (total: 20,667,670 shares, Ownership Ratio: 32.68%) to be tendered under the Tender Agreements shall be referred to as the “Planned Tender Shares”). For details of the Tender Agreements, please refer to “(1) 3DIP Tender Agreement” and “(2) Farallon Tender Agreement” in “4. Important Agreements Relating to the Tender Offer Between the Offeror and the Company’s Shareholders” below. In addition, the Company has been informed that as of today, NFC Corporation, the second largest shareholder of the Company (number of shares held: 6,056,800 shares, Ownership Ratio (9.58%), and Mr. Hiroshi Nozawa, the fifth largest shareholder of the Company (number of shares held: 3,531,058 shares, Ownership Ratio (5.58%) are continuing to consider whether or not to tender in the Tender Offer.

(Note 5) “Ownership Ratio” means the percentage (figures are rounded to the nearest two decimal places) of the number of shares (63,238,275 shares) (hereinafter referred to as the “Total Number of Shares after Taking into Account the Potential Shares of the Company”), obtained by adding (i) the total number of outstanding shares of the Company as of June 30, 2024 (67,400,000 shares), as stated in the Consolidated Financial Results for the Second Quarter of the Fiscal Year Ended December 31, 2024 (Under Japanese GAAP) (“Consolidated Financial Results for the Second Quarter of the Company”) submitted by the Company on August 8, 2024, to (ii) the number of shares (267,200 shares) subject to the 5th Series of Stock Acquisition Rights (as defined in “(II) Stock Acquisition Rights” in “(3) Purchase Price” in “2. Outline of the Purchase” below; the same shall apply hereinafter) (1,336 options), remaining as of June 30, 2024, reported by the Company, and whose exercise period expired as of today, such sum being 67,667,200 shares, and subtracting (iii) the number of treasury shares owned by the Company as of June 30, 2024 (4,428,925 shares) (Note 6); the same shall apply hereinafter. Among the Stock Acquisition Rights, the first day of the exercise period for the 6th and 7th Series of Stock Acquisition Rights are April 1, 2025 and March 27, 2026, respectively. During the purchase period for the Tender Offer (“Tender Offer Period”), as the exercise of the 6th and 7th Series of Stock Acquisition Rights and the issuance of or transfer of Company Shares to the holders of the Stock Acquisition Rights is not expected to occur; the number of shares subject to the 6th Series of Stock Acquisition Rights (1,310 options) and the 7th Series of Stock Acquisition Rights (2,900 options) (the 6th Series of Stock Acquisition Rights: 262,000 shares, the 7th Series of Stock Acquisition Rights: 290,000 shares) have not been added to the Total Number of Shares after Taking into Account the Potential Shares of the Company. In addition, according to the Company, the exercise period of the 4th Series of Stock Acquisition Rights as stated in the 54th Securities Report submitted by the Company on March 27, 2024 (“Securities Report of the Company”) expired on March 26, 2024, and all of the 4th Series of Stock Acquisition Rights that existed at that time were extinguished.

(Note 6) The number of treasury shares stated in the Consolidated Financial Results for the Second Quarter of the Company (4,430,524 shares) includes 1,599 shares, equivalent to 40% of the 3,998 shares (Ownership Ratio: 0.01%) of the Company's shares owned by the Company's equity method affiliate Nihon Business Soft Incorporation, and as of June 30, 2024, the number of treasury shares owned by the Company is 4,428,925 shares (4,430,524 shares less 1,599 shares).

In the Tender Offer, the Offeror has set 42,142,900 shares (Ownership Ratio: 66.64%) as the minimum number of shares to be purchased (Note 7), and if the total number of the shares, etc. tendered in the Tender Offer (“Tendered Shares”) is less than the minimum number of shares to be purchased (42,142,900 shares), the Offeror will not purchase any of the Tendered Shares. On the other hand, as the Offeror aims to take the Company private by acquiring all of the Company Shares (which includes Restricted Shares and Company Shares delivered upon exercise of the Stock Acquisition Rights but excludes treasury shares owned by the Company) and all of the Stock Acquisition Rights, the Offeror has not set a maximum number of shares to be purchased in the Tender Offer, and if the total number of Tendered Shares equals to or exceeds the minimum number of shares to be purchased, which is 42,142,900 shares, the Offeror will purchase all of the Tendered Shares. The minimum number of shares to be purchased, which is 42,142,900 shares, is the number of shares derived by multiplying the number of voting rights for the Total Number of Shares after Taking into Account the Potential Shares of the Company as of June 30, 2024 (632,382 voting rights) by two-thirds (421,588 voting rights; rounded up to the nearest whole number), after deducting the number of voting rights (159 voting rights) for the number of Restricted Shares held by directors of the Company (totaling 15,937 shares, Ownership Ratio: 0.03%)(Note 8), and then multiplying such number of voting rights by 100 (42,142,900



shares), the share unit of the Company. While the Offeror aims to take the Company private by acquiring all of the Company Shares (which includes Restricted Shares and Company Shares delivered upon exercise of the Stock Acquisition Rights but excludes treasury shares owned by the Company) and all of the Stock Acquisition Rights in the Transaction, since a special resolution of the general meeting of shareholders, as provided in Article 309, paragraph (2) of the Companies Act (Act No. 86 of 2005; as amended; the same applies hereafter), is required when implementing the share consolidation procedures stated in “(5) Policy on Organizational Restructuring After the Tender Offer (Matters Relating to the So-Called Two-Step Acquisition)” below, in order to ensure implementation of the Transaction, the minimum number of shares to be purchased has been set so that the Offeror will own at least two-thirds of the voting rights of all shareholders of the Company after the Tender Offer.

(Note 7) The minimum number of shares to be purchased is a tentative figure based on information as of today, and the actual minimum number of shares to be purchased in the Tender Offer may differ from the figure above due to factors such as changes in the number of treasury shares held by the Company after such date. Prior to the commencement of the Tender Offer, it is planned that the final minimum number of shares to be purchased taking into account the latest information available at the time of commencement of the Tender Offer will be determined.

(Note 8) Although the Restricted Shares cannot be tendered in the Tender Offer due to transfer restrictions attached thereto, at the meeting of the Board of Directors of the Company held August 8 2024, a resolution was passed to express an opinion in favor of the Tender Offer, on the assumption of the delisting. At the time of such resolution, all of the directors voted in favor. It is therefore expected that if the Tender Offer is completed, it is likely that the Squeeze-out Procedure (as defined below) will be supported, and thus in determining the minimum number of shares to be purchased, the number of voting rights for the Restricted Shares is deducted.

The Offeror plans to finance the funds required for the settlement of the Tender Offer by borrowing from financial institutions and through capital contributions from the Offeror Parent Company.

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

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

(i) Business Environment of the Company

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

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

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

As of the date of this Press Release, the Company group (which means the Company, its subsidiaries and its affiliates,

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

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

The environment surrounding the Company group has been undergoing changes recently. These changes include not only macroeconomic factors such as the easing of COVID-19 restrictions, the resumption of consumer activity, prolonged supply chain disruptions, and rising prices, but also shifts in the information services market including the establishment of the new normal, the expansion of digital technology use in business reforms and innovation such as DX, an increased demand for strategic system investments aimed at productivity improvement, business efficiency, and automation due to labor shortages, and increased competition for IT talent accompanying those changes. In light of these circumstances, the Company has taken on the challenge of responding to macroeconomic changes and changes in the market in these unpredictable times, adapting to ever-evolving technological innovations, and challenging and creating new businesses. Under its management policy of “becoming the leading company providing systems/software and services in the IT x OT (Note 3) field to contribute to its customers and society,” the Company formulated a medium-term management plan (announced on February 14, 2024) covering the five-year period from FY 2024 to FY 2028 and is working to achieve sustainable growth and increased added value. Under that medium-term management plan, the Company is promoting measures such as growth in the contract business, improving profitability, reducing sales and administrative expenses through business reforms and DX promotion, growth in the product service business, taking on new businesses with higher added value, strengthening its technological capabilities, enhancing group synergies, expanding global operations, reinforcing its management foundation, strengthening corporate governance, and promoting sustainability management. Furthermore, the Company is focusing on key areas such as “DX + AIS-CRM (pronounced “ice cream”) (Note 4) + SD (service design) + (5) G2 (5G and local 5G (Note 5))” and plans to strengthen DX solutions, focus on the areas of AI, IoT (Note 6), Security, Automotive, Mobile, Robot and Cloud Computing, strengthen upstream service design and IT consulting, take initiatives to advance 5G and local 5G, and expand global operations. The Company is also focusing on its own DX, promoting internal transformation and enhancing its business competitiveness through corporate reforms. It is committed to improving profitability through the development of new business domains with higher added value and improving productivity. The Company is working on intelligent technology and AI, and it began validating a service related to ChatGPT (Note 7) and has been studying efficient and effective ways of using ChatGPT. As of the date of this Press Release, the Company has built its own ChatGPT environment and is continuing internal validation, aiming to contribute to its customers’ businesses by continuing to challenge itself with advanced technologies and providing its customers with improved services.

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

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

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

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

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

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

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

Under the business environment described in “(i) Business Environment of the Company, Etc.” above, the Company established the Corporate Value Committee as announced on August 5, 2022 in “Establishment of the Corporate Value Committee.” Under that committee, various working groups (the “WGs”) were formed to discuss management options to improve the corporate value of the Company. Those WGs include: (i) the Corporate Governance Review WG, (ii) the Shareholder and Investor Relations WG, (iii) the Business Review WG, (iv) the Group Companies Review WG, and (v) the Real Estate Review WG. In early July 2022, the Company appointed QuestHub Co., Ltd. as an external advisor for its corporate value enhancement strategy and it has been considering management options based on the advice of QuestHub Co., Ltd. Additionally, since late October 2022, as part of its review of measures to improve corporate value, the Company has had discussions with multiple private equity funds (“PE funds”), including KKR, which is believed to have extensive experience with taking listed companies private, about strategies that would contribute to accelerating its business growth and improving its corporate value for future growth. Subsequently, under the new Board of Directors, which includes five newly appointed outside directors (Takao Tsuji, Hidetaka Nishina, Hikari Imai, Yuya Shimizu, and Shintaro Ishimaru) appointed at the Extraordinary Meeting of Shareholders held on December 4, 2022, the Company has reviewed and had discussions on management issues and measures within the Corporate Value Committee and its respective WGs. Additionally, based on the belief that it is necessary to compare and consider all options for enhancing its corporate value, the Company has also considered the possibility of taking its shares private as an option to enhance its corporate value. Additionally, to consider measures for enhancing its corporate value from more diverse perspectives, the Company appointed SMBC Nikko Securities Inc. (“SMBC Nikko Securities”) as a financial advisor and third-party appraiser independent of the Offeror, the Offeror’s Parent Company, multiple PE funds including KKR, and the Company in early June 2023. The Company also appointed Mori Hamada & Matsumoto as an external legal advisor for that consideration.

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

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

Since late October 2022, the Company has consulted with KKR regarding its financial and business strategies, and from late October 2022 KKR has held ongoing discussions with the Company on multiple occasions regarding measures that will contribute to accelerating business growth and enhancing corporate value for future growth. In early July 2023, KKR was approached by 3DIP to participate in the 3DIP Process. In response to this, in early July of the same year, KKR began

considering whether to participate in the 3DIP Process. As KKR strengthens its investment in the IT, software, and DX fields, through its discussions with the Company to date, KKR has strengthened its view that there is significant room for accelerating the Company's business growth and increasing its corporate value for future growth by utilizing KKR's global network. Although it is extremely unusual for 3DIP, the largest shareholder, to execute the process without the consent of the Company, in the case of a tender offer for a company with a major shareholder such as the Transaction, KKR determined that it is extremely important from the perspective of both the Offeror and the shareholders to increase the probability of executing the transaction through the conclusion of a tender agreement with the major shareholder and to disclose it appropriately, and that securing a preferential negotiation right with 3DIP regarding the capital policy of the Company Shares owned by 3DIP through the 3DIP Process has important significance for the Transaction. Therefore, as stated above, given that the purpose of the 3DIP Process is not intended to create any conflict with the Company, KKR decided to participate in the 3DIP Process after communicating with the Company's management. Subsequently, KKR conducted an initial review based on the sales and operating income results of the Company group as a whole and by segment, the status of the Company's assets and liabilities, and the mid-term business plan, etc., published by the Company. Although it was still at a preliminary stage prior to the conducting of due diligence based on information provided by the Company, KKR came to believe that the Company has strong competitiveness, growth potential, and high potential, based on deepening its understanding of the industry characteristics and growth potential of the domestic Sler (Note 9) market to which the Company belongs, the competitive advantage that the Company has established in the domestic Sler market, the direction of the Company's growth strategy, and the potential for improving corporate value and stock value, and on August 18, 2023, KKR submitted a non-legally binding proposal ("3DIP Process Proposal") to 3DIP, and proposed the implementation of a transaction to take the Company private with a tender offer price of JPY 6,400 per Company Share. The tender offer price in the 3DIP Process Proposal includes a premium of 41.59% (figures are rounded to the nearest two decimal places; the same shall apply hereinafter in the calculation of premiums) on the closing price of the Company Shares on the TSE Prime Market on August 17, 2023 (such date being the business day immediately preceding August 18, 2023) (JPY 4,520) (figures are rounded to the nearest three decimal places; the same shall apply hereinafter in the calculation of simple average of closing prices), 37.28% on the simple average of the closing prices for the preceding one month (from July 18, 2023 to August 17, 2023) (JPY 4,662) (Note 10), 39.59% on the simple average of the closing prices for the preceding three months (from May 18, 2023 to August 17, 2023) (JPY 4,585), and 49.05% on the simple average of the closing prices for the preceding six months (from February 20, 2023 to August 17, 2023) (JPY 4,294). A premium of 150.00% was given on the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022 when the news report on the first shareholder proposal to the Company through 3DIP (the "Shareholder Proposal") was made, which triggered a fluctuation in the Company's stock price, a premium of 157.03% was given on the simple average of the closing prices for the preceding one month (from January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 142.15% was given on the simple average of the closing prices for the preceding three months (from November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 130.96% was given on the simple average of the closing prices for the preceding six months (from August 17, 2021 to February 16, 2022) (JPY 2,771). Subsequently, on August 31, 2023, KKR was notified that 3DIP would enter into an agreement with several candidates, including KKR, who passed the 3DIP Process, granting a preferential negotiation right regarding the capital policy of the Company Shares held by 3DIP ("3DIP Process Preferential Negotiation Right"; and such agreement between KKR and 3DIP granting the 3DIP Process Preferential Negotiation Right is referred to as the "3DIP Process Preferential Negotiation Right Agreement") and that 3DIP has submitted to the Company's Board of Directors non-legally binding proposals from several candidates who have been granted the 3DIP Process Preferential Negotiation Right, including KKR ("August 2023 Privatization Proposals").

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

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

On August 4, 2023, KKR was approached by the Company to participate in the Company Information Provision Process and thereafter did so, and from early August to early September of the same year, KKR conducted due diligence on the Company's business, finance, legal affairs, etc., and management interviews with the Company's management regarding the Company's business strategy, and KKR proceeded with analysis and consideration regarding the acquisition of Company Shares. Based on the results of the due diligence conducted between early August and early September 2023, based on a multifaceted and comprehensive analysis of the Company's business and financial status, and by comparing the market share prices and financial indicators showing profitability of multiple listed companies that are relatively similar to the Company in terms of business contents, business scale, earnings status, etc., on September 8, 2023, KKR submitted a non-legally binding information provision form (Company Process Information Provision Form), and based on the progress in understanding the Company's business based on the results of due diligence, KKR proposed the implementation of a transaction to take the Company private with a tender offer price of JPY 6,800 to JPY 7,200 per Company Share, which exceeded the proposed price of JPY 6,400 in the 3DIP Process Proposal. The tender offer price in the Company Process Information Provision Form includes a premium of 52.64 to 61.62% on the closing price of the Company Shares on the TSE Prime Market on September 7, 2023 (such date being the business day immediately preceding September 8, 2023) (JPY 4,455), 50.68 to 59.54% on the simple average of the closing prices for the preceding one month (from August 8, 2023 to September 7, 2023) (JPY 4,513), 48.47 to 57.21% on the simple average of the closing prices for the preceding three months (from June 8, 2023 to September 7, 2023) (JPY 4,580), and 56.57 to 65.78% on the simple average of the closing prices for the preceding six months (from March 8, 2023 to September 7, 2023) (JPY 4,343). A premium of 165.63 to 181.25% was given on the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022 when the news report on the Shareholder Proposal was made, which triggered a fluctuation in the Company's stock price, a premium of 173.09 to 189.16% was given on the simple average of the closing prices for the preceding one month (from January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 157.28 to 172.42% was given on the simple average of the closing prices for the preceding three months (from November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 145.40 to 159.83% was given on the simple average of the closing prices for the preceding six months (from August 17, 2021 to February 16, 2022) (JPY 2,771).

Following that, 3DIP shared with the Company on September 4, 2023 non-binding proposals that were provided to 3DIP by three potential investors that have been granted the 3DIP Process Preferential Negotiation Right including KKR. Taking into account the Guidelines for Corporate Takeovers published by the Ministry of Economy, Trade and Industry on August 31, 2023 (the "Corporate Takeover Guidelines"), the Company determined that it was necessary to conduct a sincere review of those proposals while ensuring the fairness and transparency of the review process. Therefore, in a resolution of a meeting of the Board of Directors dated September 12, 2023, the Company decided to establish the Special Committee, composed solely of six independent outside directors (Chairman: Hikari Imai, Members: Tomoko Aramaki, Takao Tsuji, Hidetaka Nishina, Yuya Shimizu, and Shintaro Ishimaru), with greater authority than the abovementioned Independent Directors WG. The Special Committee was tasked with (a) comparing and reviewing the Company's corporate value enhancement measures with the corporate value enhancement measures proposed by the three potential investors in their proposals to take the Company Shares private (the "Privatization Proposals") to determine which would better secure or enhance the corporate value of the Company and the common interests of the Company's shareholders, and making recommendations or suggestions to the Board of Directors on which proposal is preferable and (b) if the Special Committee determines that the corporate value enhancement measures proposed by any of the three potential investors in the Privatization Proposals under (a) is more desirable than the corporate value enhancement measures formulated by the Company, reviewing that Privatization Proposal from the perspective of whether it would secure or enhance the corporate value of the Company and the common interests of the Company's shareholders, and making recommendations or suggestions to the Board of Directors on whether to approve that Privatization Proposal. The Board of Directors also resolved to respect the decisions of the Special Committee to the greatest extent possible when making decisions related to the above entrusted matters. In the middle of September 2023, the Special Committee appointed, as independent advisors exclusive to the Special Committee, JP Morgan Securities Japan Co., Ltd. ("JP Morgan Securities") as a financial advisor and Shiomizaka as a legal advisor. On September 15, 2023, the Special Committee recommended to the Company's Board of Directors to conduct a careful review of the

proposals received from multiple potential investors via 3DIP, given that they are considered bona fide offers as defined in the Corporate Takeover Guidelines. Additionally, while the Company received information from four companies during the Company Information Provision Process, that information was solely related to corporate value enhancement strategies and does not constitute offers to purchase the Company, so that information was not reviewed by the Special Committee.

From September 2023 to April 2024, KKR continued constructive discussions with the Board of Directors of the Company, the Special Committee, and the management of the Company on business strategies that contribute to maximizing the corporate value of the Company. Given the privatization through tender offer of the four listed consolidated subsidiaries of the Company (VINX CORP., Cyber COM Co., Ltd., Cybernet Systems Co., Ltd., and FUJI SOFT SERVICE BUREAU INCORPORATED) announced by the Company on November 8, 2023, the details of the financial results for the fiscal year ended December 2023 announced on February 14, 2024, the Mid-term Business Plan 2028 announced on the same day (“Medium-Term Management Plan 2028”), and the details of the discussions to date between the Company’s Board of Directors and the Special Committee, KKR submitted a non-legally binding proposal that includes the tender offer price on the assumption that the Company Shares will be privatized (“February 29 Company Process Proposal”) to the Special Committee on February 29, 2024. KKR proposed a tender offer price of JPY 7,800 to JPY 8,100 per Company Share in the February 29 Company Process Proposal. The tender offer price in the February 29 Company Process Proposal includes a premium of 22.83 to 27.56% on the closing price of the Company Shares on the TSE Prime Market on February 28, 2024 (such date being the business day immediately preceding February 29, 2024) (JPY 6,350), 23.87 to 28.63% on the simple average of the closing prices for the preceding one month (from January 29, 2024 to February 28, 2024) (JPY 6,297), 25.81 to 30.65% on the simple average of the closing prices for the preceding three months (from November 29, 2023 to February 28, 2024) (JPY 6,200), and 37.61 to 42.91% on the simple average of the closing prices for the preceding six months (from August 29, 2023 to February 28, 2024) (JPY 5,668). A premium of 62.67 to 68.93% is given on the closing price on October 2, 2023 on which certain news media made speculative reports regarding the Transaction (“Speculative Media Reports”) (JPY 4,795), a premium of 66.24 to 72.63% is given on the simple average of the closing prices for the preceding one month (from September 4, 2023 to October 2, 2023) (JPY 4,692), a premium of 69.01 to 75.51% is given on the simple average of the closing prices for the preceding three months (from July 3, 2023 to October 2, 2023) (JPY 4,615), and a premium of 75.32 to 82.06% is given on the simple average of the closing prices for the preceding six months (from April 3, 2023 to October 2, 2023) (JPY 4,449). A premium of 204.69 to 216.41% is given on the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022 when the news report on the Shareholder Proposal was made, which triggered a fluctuation in the Company’s stock price (JPY 2,560), a premium of 213.25 to 225.30% is given on the simple average of the closing prices for the preceding one month (from January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 195.12 to 206.47% is given on the simple average of the closing prices for the preceding three months (from November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 181.49 to 192.31% is given on the simple average of the closing prices for the preceding six months (from August 17, 2021 to February 16, 2022) (JPY 2,771).

Subsequently, from early April 2024 to early June 2024, KKR conducted additional analysis of the Company’s business, finance, legal affairs, etc., conducted management interviews with the Company’s management regarding its business strategy, and proceeded with considering the acquisition of Company Shares. KKR has come to believe that substantial growth of the Company is possible by forming a strategic partnership between the Company, which it believes has advanced technology, abundant human capital, and a solid customer base, and KKR, which it believes has abundant human and capital resources, experience in both the IT and real estate fields, and a global network, by privatizing the Company Shares, based on further deepening its understanding of the Medium-Term Management Plan 2028 and the Company’s medium- to long-term growth and future vision, in addition to deepening its understanding of the industry characteristics and growth potential of the domestic Sler market to which the Company belongs, the competitive advantage that the Company has established in the domestic Sler market, the direction of the Company’s medium- to long-term growth strategy, and the potential for improving corporate value and stock value. On June 14, 2024, based on a multifaceted and comprehensive analysis of the Company’s business and financial status, and upon analyzing the value of the Company Shares in comparison with the market share prices and profitability of multiple listed companies that are relatively similar to the Company in terms of business contents,

business scale, earnings status, etc., KKR submitted a legally binding final proposal regarding this matter (“Final Company Process Proposal”) to the Company, including a description of the tender offer price and the purchase price per Stock Acquisition Right (the “Stock Acquisition Right Purchase Price”), on the basis that the Company Shares will be privatized. In the Final Company Process Proposal, KKR proposed that the tender offer price be JPY 8,800 per Company Share, that the Stock Acquisition Rights, including those for which the exercise period has not yet expired, be subject to a tender offer, and that the Stock Acquisition Right Purchase Price be a price calculated by multiplying the difference between the tender offer price of the Company Shares (JPY 8,800) and the exercise price per Stock Acquisition Right by the number of Company Shares which are subject to a Stock Acquisition Right (5th Series of Stock Acquisition Rights: JPY 1,067,000, 6th Series of Stock Acquisition Rights: JPY 929,600, 7th Series of Stock Acquisition Rights: JPY 228,100). The tender offer price in the Final Company Process Proposal includes a premium of 30.76% on the closing price of the Company Shares on the TSE Prime Market on June 13, 2024 (such date being the business day immediately preceding June 14, 2024) (JPY 6,730), 38.15% on the simple average of the closing prices for the preceding one month (from May 14, 2024 to June 13, 2024) (JPY 6,370), 41.55% on the simple average of the closing prices for the preceding three months (from March 14, 2024 to June 13, 2024) (JPY 6,217), and 41.16% on the simple average of the closing prices for the preceding six months (from December 14, 2023 to June 13, 2024) (JPY 6,234). A premium of 83.52% is given on the closing price on October 2, 2023 on which the Speculative Media Reports was made (JPY 4,795), a premium of 87.55% is given on the simple average of the closing prices for the preceding one month (from September 4, 2023 to October 2, 2023) (JPY 4,692), a premium of 90.68% is given on the simple average of the closing prices for the preceding three months (from July 3, 2023 to October 2, 2023) (JPY 4,615), and a premium of 97.80% is given on the simple average of the closing prices for the preceding six months (from April 3, 2023 to October 2, 2023) (JPY 4,449). A premium of 243.75% is given on the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022 when the news report on the Shareholder Proposal was made, which triggered a fluctuation in the Company’s stock price, a premium of 253.41% is given on the simple average of the closing prices for the preceding one month (from January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 232.95% is given on the simple average of the closing prices for the preceding three months (from November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 217.57% is given on the simple average of the closing prices for preceding last six months (from August 17, 2021 to February 16, 2022) (JPY 2,771).

Subsequently, on July 5, 2024, KKR was notified by the Company that KKR was granted exclusive negotiation rights for the Transaction. After continuing discussions with the Company from early July to early August of the same year regarding practical measures toward the implementation of the Transaction, such as the coordination of the business and financial information of the Company necessary for obtaining the Clearance, an agreement was reached on August 7, 2024 to implement the Transaction by setting the Tender Offer Price of the Company Shares at JPY 8,800 per Company Share (“Tender Offer Price”) and setting the Stock Acquisition Right Purchase Price at a price calculated by multiplying the difference between the Tender Offer Price (JPY 8,800) and the exercise price per Company Share for each Stock Acquisition Right by the number of Company Shares per Stock Acquisition Right, and on the same day, the Offeror decided to implement the Tender Offer.

In addition, in parallel with discussions with the Company, on July 8, 2024, KKR requested that 3DIP enter into a tender agreement based on the 3DIP Process Preferential Negotiation Right Agreement, after explaining the various terms and conditions of the Tender Offer, including the Tender Offer Price, as well as the details of discussions that KKR had with the Company regarding the enhancement of corporate value, and proposals from KKR. In response, on August 8, 2024, 3DIP agreed to tender in the Tender Offer and entered into the 3DIP Tender Agreement with the Offeror on the same day on the basis that the Company’s Board of Directors resolved to express its opinion to support the Tender Offer, such expression of opinion has been made public, and such expression of opinion has not been changed or withdrawn (for details, please refer to “(1) 3DIP Tender Agreement” in “4. Important Agreements Relating to the Tender Offer Between the Offeror and the Company’s Shareholders” below). In addition, in parallel with discussions with the Company, on July 8, 2024, KKR requested that Farallon enter into a tender agreement, after explaining the various terms and conditions of the Tender Offer, including the Tender Offer Price, as well as the details of discussions that KKR had with the Company regarding the

enhancement of corporate value, and proposals from KKR. In response, August 8, 2024, Farallon agreed to tender in the Tender Offer and entered into the Farallon Tender Agreement with the Offeror on the same day on the basis that the Company's Board of Directors resolved to express its opinion to support the Tender Offer, such expression of opinion has been made public, and such expression of opinion has not been changed or withdrawn (for details, please refer to (2) Farallon Tender Agreement" in "4. Important Agreements Relating to the Tender Offer Between the Offeror and the Company's Shareholders" below).

(iii) Management Policy Following the Tender Offer

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

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

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

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

(i) Background of Establishment of Examination Framework

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

Additionally, in late August 2023, at the request of 3DIP, a shareholder of the Company, the Company received August 2023 Privatization Proposals from multiple PE funds, including KKR, regarding taking the Company Shares private. Even though those proposals were not solicited by the Company, the Company determined that it was necessary to sincerely consider those proposals while ensuring fairness and transparency in the review process in light of the Corporate Takeover Guidelines.



Therefore, in the resolution of the meeting of the Board of Directors dated September 12, 2023, the Company decided to establish the Special Committee, composed of six independent outside directors (Hikari Imai, Tomoko Aramaki, Takao Tsuji, Hidetaka Nishina, Yuya Shimizu, and Shintaro Ishimaru), with greater authority than the aforementioned Independent Directors WG.

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

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

Based on the above, in the middle of September 2023, the Special Committee appointed, as independent advisors exclusive to the Special Committee, JP Morgan Securities as the financial advisor and Shiomizaka as a legal advisor. Following that, on September 15, 2023, the Special Committee recommended to the Board of Directors of the Company that the proposals received from the PE funds regarding taking the Company Shares private be considered bona fide offers under the Corporate Takeover Guidelines and be given sincere consideration. Under the above structure, the Company proceeded with formulating a new medium-term management plan from the middle of September 2023 to late February 2024 with the aim of maximizing its corporate value as a listed company. That plan incorporated various measures reviewed by the Corporate Value Committee. At the same time, taking into consideration discussions within the Special Committee and advice from the Company’s advisors, the Company compared the corporate value enhancement measures proposed by the PE funds for taking the Company private with the corporate value enhancement measures expected to be realized through the new medium-term management plan as a listed company. Through that process, the Company identified and evaluated options to maximize its corporate value. During that process, the Company’s executives conducted Q&A sessions with each PE fund regarding their management policies and business strategies after the Company is taken private. The Company also provided certain information to some of the PE funds and engaged in discussions based on the results of those exchanges of information. Through those review processes, the Company deepened its understanding of each proposal and refined its evaluation of the proposals.

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

Subsequently, from early to late June 2024, the Company received legally binding letters of intent from two PE funds,

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

(ii) Background of Examinations and Negotiations

Since establishing the above examination framework, the Company has engaged in multiple discussions and negotiations with KKR, based on the negotiation policies and the opinions, instructions, and requests on important matters provided in advance by the Special Committee. The Company received a report from SMBC Nikko Securities regarding an analysis of the fair value of the Company’s shares, advice on negotiation policies with the Offeror, and other financial advice. Mori Hamada & Matsumoto also provided advice on measures to ensure the fairness of the procedures in the Transactions and other legal advice. Based on that advice, the Company had numerous discussions and evaluations with KKR. Specifically, on September 4, 2023, the Company received from 3DIP non-binding written proposals that were submitted to 3DIP from three potential investors that were granted the 3DIP Process Preferential Negotiation Right including KKR. Among those, the 3DIP Process Proposal submitted by KKR set the tender offer price at JPY 6,400 per share of the Company Shares. The tender offer price in the 3DIP Process Proposal represents a premium of 41.59% over the closing price of the Company Shares on the Prime Market of the TSE on August 17, 2023, which is the business day immediately preceding August 18, 2023, when KKR submitted the 3DIP Process Proposal to 3DIP, (JPY 4,520), a premium of 37.28% over the simple average closing price for the most recent one month (July 18, 2023 to August 17, 2023) (JPY 4,662), a premium of 39.59% over the simple average closing price for the most recent three months (May 18, 2023 to August 17, 2023) (JPY 4,585), and a premium of 49.05% over the simple average closing price for the most recent six months (February 20, 2023 to August 17, 2023) (JPY 4,294). That price also represents a premium of 150.00% over the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022, which is the date on which the Shareholder Proposal was reported, which triggered a fluctuation in the Company’s share price, and a premium of 157.03% over the simple average closing price for the most recent one month (January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 142.15% over the simple average closing price for the most recent three months (November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 130.96% over the simple average closing price for the most recent six months (August 17, 2021 to February 16, 2022) (JPY 2,771). As described in “(i) Background of Establishment of Examination Framework” above, the Company determined that it was necessary to sincerely consider the written proposals from the three potential investors that were granted 3DIP Process Preferential Negotiation Right, including the 3DIP Process Proposal submitted by KKR, while ensuring fairness and transparency in the examination process in light of the Corporate Takeover Guidelines. Consequently, in the resolution of the meeting of the Board of Directors dated September 12, 2023, the Company decided to establish the Special Committee and entrusted to the Special Committee the review of the entrusted matters set out in “(i) Background of Establishment of Examination Framework” in “(c) Process and Reasons for the Decision-Making of the Company” in “(2) Grounds and Reasons for Opinion” above. On September 15, 2023, the Special Committee also recommended that the Board of Directors of the Company give sincere consideration to the above proposal, stating that it constituted a bona fide offer under the Corporate Takeover Guidelines. The Company examined the written proposals from the three potential investors that were granted 3DIP Process Preferential Negotiation Right, including the 3DIP Process Proposal submitted by KKR, from the perspective of whether they will enhance the Company’s corporate value and promote the interests of the shareholders, as well as the feasibility of the proposals, and from early October to early November 2023, the Company had discussions with the potential investors as necessary, including questions and answers sessions, to review the contents of each proposal. On the other hand, as the Company had not concluded at that time that a transaction to take the Company Shares private would be

the best measure to enhance its corporate value, the Company decided to continue comparing and evaluating options to enhance its corporate value, including taking the Company Shares private, based on the evaluation of the various proposals through the review process.

Additionally, on August 4, 2023, the Company invited four companies including KKR to participate in the Company Information Provision Process and granted four companies including KKR, which accepted that invitation, the opportunity to conduct due diligence from early August to early September 2023. Following that, on September 8, 2023, the Company received information from four companies, including KKR, that participated in the Company Information Provision Process. Of those, the Company received from KKR information on a privatization transaction with a tender offer price of JPY 6,800–7,200 per share of the Company Shares. The tender offer price in the Company Process Information Provision Form represents a premium of 52.64–61.62% over the closing price of the Company Shares on the Prime Market of the TSE on September 7, 2023, which is the business day immediately preceding September 8, 2023 (JPY 4,455), a premium of 50.68–59.54% over the simple average closing price for the most recent one month (August 8, 2023 to September 7, 2023) (JPY 4,513), a premium of 48.47–57.21% over the simple average closing price for the most recent three months (June 8, 2023 to September 7, 2023) (JPY 4,580), and a premium of 56.57–65.78% over the simple average closing price for the most recent six months (March 8, 2023 to September 7, 2023) (JPY 4,343). That price also represents a premium of 165.63–181.25% over the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022, which is the date on which the Shareholder Proposal was reported, which triggered a fluctuation in the Company's share price and a premium of 173.09–189.16% over the simple average closing price for the most recent one month (January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 157.28–172.42% over the simple average closing price for the most recent three months (November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 145.40–159.83% over the simple average closing price for the most recent six months (August 17, 2021 to February 16, 2022) (JPY 2,771). Following that, the Company received from KKR the February 29 Company Process Proposal, which was addressed to the Special Committee and proposed a tender offer price of JPY 7,800–8,100 per share of the Company Shares. The tender offer price in the February 29 Company Process Proposal represents (a) a premium of 22.83–27.56% over the closing price of the Company Shares on the Prime Market of the TSE on February 28, 2024, which is the business day immediately preceding February 29, 2024 (JPY 6,350), a premium of 23.87–28.63% over the simple average closing price for the most recent one month (January 29, 2024 to February 28, 2024) (JPY 6,297), a premium of 25.81–30.65% over the simple average closing price for the most recent three months (November 29, 2023 to February 28, 2024) (JPY 6,200), and a premium of 37.61–42.91% over the simple average closing price for the most recent six months (August 29, 2023 to February 28, 2024) (JPY 5,668), (b) a premium of 62.67–68.93% over the closing price on October 2, 2023 (JPY 4,795), which is the date on which the Speculative Media Reports were made, and a premium of 66.24–72.63% over the simple average closing price for the most recent one month (September 4, 2023 to October 2, 2023) (JPY 4,692), a premium of 69.01–75.51% over the simple average closing price for the most recent three months (July 3, 2023 to October 2, 2023) (JPY 4,615), and a premium of 75.32–82.06% over the simple average closing price for the most recent six months (April 3, 2023 to October 2, 2023) (JPY 4,449), and (c) a premium of 204.69–216.41% over the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022, which is the date on which the Shareholder Proposal was reported, which triggered a fluctuation in the Company's share price, and a premium of 213.25–225.30% over the simple average closing price for the most recent one month (January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 195.12–206.47% over the simple average closing price for the most recent three months (November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 181.49–192.31% over the simple average closing price for the most recent six months (August 17, 2021 to February 16, 2022) (JPY 2,771).

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

Following that, from early to late June 2024, the Company received binding letters of intent from two PE funds, including KKR, and a non-binding letter of intent from one PE fund. The Company continued to review the proposals received in the

3DIP Process from the three potential investors granted 3DIP Process Preferential Negotiation Right, including 3DIP Process Proposal. However, aside from KKR and another potential investor, the rest one potential investor lacked experience in taking companies of a similar market capitalization to the Company private. Moreover, its proposed price was not more favorable than the other two proposals, including that of KKR. As a result, the Company decided to focus its review on the proposals from the two companies, including KKR. While conducting that review, the Company received the above-mentioned letters of intent from the two companies, including KKR, that had also participated in the Company Information Provision Process, so the Company decided to discontinue its review of the 3DIP Process Proposal and instead focus on examining the contents of the letters of intent received from the three companies. Of those, the Company received from KKR on June 14, 2024 the Final Company Process Proposal, which includes statements on conditions such as the tender offer price and the Stock Acquisition Right Purchase Price conditioned on the Company Shares being taken private, which specifically proposed a tender offer price of JPY 8,800 per share of the Company Shares. KKR also included all Stock Acquisition Rights, including those whose exercise periods had not yet commenced, in the tender offer. KKR proposed that the Stock Acquisition Right Purchase Price be the amount obtained by multiplying the difference between the tender offer price per share of the Company Shares (JPY 8,800) and the exercise price per Stock Acquisition Right by the number of the Company Shares underlying each Stock Acquisition Right. The proposed Stock Acquisition Right Purchase Prices were JPY 1,067,000 for the Fifth Series Stock Acquisition Rights, JPY 929,600 for the Sixth Series Stock Acquisition Rights, and JPY 228,100 for the Seventh Series Stock Acquisition Rights. The tender offer price in the Final Company Process Proposal represents (a) a premium of 30.76% over the closing price of the Company Shares on the Prime Market of the TSE on June 13, 2024, which is the business day immediately preceding June 14, 2024 (JPY 6,730), a premium of 38.15% over the simple average closing price for the most recent one month (May 14, 2024 to June 13, 2024) (JPY 6,370), a premium of 41.55% over the simple average closing price for the most recent three months (March 14, 2024 to June 13, 2024) (JPY 6,217), and a premium of 41.16% over the simple average closing price for the most recent six months (December 14, 2023 to June 13, 2024) (JPY 6,234), (b) a premium of 83.52% over the closing price on October 2, 2023 (JPY 4,795), which is the date on which the Speculative Media Reports were made, and a premium of 87.55% over the simple average closing price for the most recent one month (September 4, 2023 to October 2, 2023) (JPY 4,692), a premium of 90.68% over the simple average closing price for the most recent three months (July 3, 2023 to October 2, 2023) (JPY 4,615), and a premium of 97.80% over the simple average closing price for the most recent six months (April 3, 2023 to October 2, 2023) (JPY 4,449), and (c) a premium of 243.75% over the closing price on February 16, 2022 (JPY 2,560), which is the business day immediately preceding February 17, 2022, which is the date on which the Shareholder Proposal was reported, which triggered a fluctuation in the Company's share price, and a premium of 253.41% over the simple average closing price for the most recent one month (January 17, 2022 to February 16, 2022) (JPY 2,490), a premium of 232.95% over the simple average closing price for the most recent three months (November 17, 2021 to February 16, 2022) (JPY 2,643), and a premium of 217.57% over the simple average closing price for the most recent six months (August 17, 2021 to February 16, 2022) (JPY 2,771). Following that, in light of the contents of the June 28 Opinion and the acquisition proposal submitted in the 3DIP Process Proposal, after carefully considering the letter of intent it received, the Company concluded in the middle of July 2024 that the most crucial issue for advancing the Company's management is to restructure the shareholder composition. The Company concluded that accepting proposals from the PE funds was the best means to achieve this and it decided to proceed with discussions with KKR, which was the PE fund that offered the highest price. Based on these considerations, while further discussions with KKR are necessary, including following privatization, regarding the implementation of specific measures to realize synergies and reduce dis-synergies if the Company becomes a wholly-owned subsidiary of the Offeror, the Company concluded that KKR is the optimal partner to promote the medium- to long-term enhancement of the Company's corporate value, including taking the Company private. On July 5, 2024, following a request from the Offeror to discuss the Transactions, the Company decided to proceed with discussions with KKR to execute the Transactions.

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

between the Tender Offer Price (JPY 8,800) and the exercise price per share of each Stock Acquisition Right by the number of the Company Shares underlying each Stock Acquisition Right.

Further, on July 26, 2024, the Company received a non-binding proposal related to a Privatization Proposal from one PE fund that offered a tender offer price that exceeded the Tender Offer Price (the “July 26, 2024 Third-Party Written Proposal,” and the proposal in the July 26, 2024 Third-Party Written Proposal, the “July 26, 2024 Third-Party Proposal”). In response, the Company received an explanation from that third party regarding the July 26, 2024 Third-Party Proposal, and at the same time, it confirmed KKR’s stance in light of the July 26, 2024 Third-Party Proposal and it checked with 3DIP to ascertain 3DIP’s intention regarding the July 26, 2024 Third-Party Proposal. The Special Committee conducted a thorough examination of the July 26, 2024 Third-Party Written Proposal. That examination involved receiving an explanation of the contents of the July 26, 2024 Third-Party Written Proposal from the Company, discussing the response policy while receiving professional advice from the advisors it has engaged, holding meetings with both KKR and that third party, communicating through the Company to confirm 3DIP’s stance on the July 26, 2024 Third-Party Written Proposal, and carefully deliberating on the policy on how to respond to the July 26, 2024 Third-Party Written Proposal based on those meetings and confirmations. As a result, considering that the July 26, 2024 Third-Party Proposal was a non-binding proposal, the likelihood of the third party obtaining 3DIP’s consent to participate in the Tender Offer was unclear, and that 3DIP judged the proposal pertaining to the Final Company Process Proposal by KKR to be superior to the July 26, 2024 Third-Party Proposal, the Special Committee concluded that the feasibility of the July 26, 2024 Third-Party Proposal was questionable. On August 4, 2024, the Special Committee submitted a written opinion to the Board of Directors of the Company (the “August 4 Opinion”) stating that there were no circumstances sufficient to alter the opinion it submitted on June 28, 2024. Taking into consideration the contents of the August 4 Opinion submitted by the Special Committee, the Company carefully examined the July 26, 2024 Third-Party Proposal from the perspective of the feasibility of the acquisition and other factors. The examination revealed that the July 26, 2024 Third-Party Proposal is not legally binding, requires a certain period and negotiations with financial institutions for the submission of a legally binding proposal, and raises doubts about the certainty of financing. Additionally, the Offeror is already expected to enter into the Tender Agreement with 3DIP and Farallon, which are major shareholders, and 3DIP has no intention of changing this policy. Taking these factors into account, from the perspective of enhancing the corporate value of the Company and securing the interests of the shareholders, the Company concluded on August 5, 2024, that the Final Company Process Proposal made by KKR remains the best proposal.

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 Offer. Additionally, during the negotiations with KKR, the Company adhered to the negotiation policy deliberated and decided upon by the Special Committee. Each time the Company received a response from KKR, it immediately reported to the Special Committee and acted according to its instructions.

In the course of those discussions and evaluations, the Company obtained a share valuation report from SMBC Nikko Securities dated August 7, 2024 (the “Share Valuation Report (SMBC Nikko Securities)”) (for an overview of that share valuation report, see “(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser” in “(iii) Content of Decision” below). Additionally, the Company received necessary legal advice from Mori Hamada & Matsumoto regarding the decision-making process of the Board of Directors, including the Transactions, and other noteworthy points. The Special Committee also submitted the August 7 Report (for the specific details of that report and the activities of the Special Committee, see “(d) Establishment of an Independent Special Committee by the Company and Obtaining a Report from the Special Committee” in “(6) Measures to Ensure Fairness in the Tender Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” below).

(iii) Content of Decision

Under the above circumstances, at the meeting of the Board of Directors held on the date of this Press Release, the Company carefully discussed and examined the terms of the Transactions. This was done by considering the details of the Share Valuation Report (SMBC Nikko Securities) and the legal advice received from Mori Hamada & Matsumoto and by

respecting to the utmost the contents of the August 7 Report obtained from the Special Committee. As a result, as explained below, the Company has determined that the Tender Offer Price is a reasonable price that ensures the benefits that should be enjoyed by its general shareholders, providing an opportunity for its general shareholders to sell their shares at a price with an appropriate premium.

- (A) As stated in “(ii) Background of Examinations and Negotiations” above, that price is the highest price among the legally binding proposal prices submitted by multiple PE funds.
- (B) That price was agreed upon by the Company after measures were taken to ensure the fairness of the conditions of the Transactions including the Tender Offer Price as stated in “(6) Measures to Ensure Fairness in the Tender Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, and with the involvement of the Special Committee.
- (C) That price exceeds the valuation range of the Company Shares calculated by the market price method and the comparable company method, as indicated in the Share Valuation Report (SMBC Nikko Securities) mentioned in “(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser” in “(3) Matters Concerning Valuation” below. Further, the price falls within the valuation range calculated using the DCF Analysis (as defined in “(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser” in “(3) Matters Concerning Valuation” below).
- (D) That price and the other conditions of the Tender Offer are considered reasonable as indicated in the report dated August 7 obtained from the Special Committee as described in “(d) Establishment of an Independent Special Committee by the Company and Obtaining a Report from the Special Committee” in “(6) Measures to Ensure Fairness in the Tender Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.
- (E) The Tender Offer Period is set at 30 business days, which is longer than the statutory minimum of 20 business days, thereby providing the Company’s shareholders and the Stock Acquisition Rights Holders with an opportunity to make an appropriate decision regarding their participation in the Tender Offer. That extended period also ensures that other persons have an opportunity to make offers to purchase the Company Shares.
- (F) Although the lower limit of the Tender Offer does not meet the majority of minority threshold for the number of shares to be purchased, sufficient fairness measures have been implemented in the Transactions. Therefore, the fact that the lower limit for the number of shares to be purchased is not set at the majority of minority threshold does not compromise the fairness of the Tender Offer.
- (G) In the Transactions, the money to be delivered to the shareholders as consideration upon the consolidation of shares is to be calculated to equal the Tender Offer Price multiplied by the number of shares owned by each shareholder (excluding the Company). This arrangement ensures that the general shareholders have an opportunity to make an appropriate decision on whether to tender their shares in the Tender Offer, thereby preventing any undue pressure.

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

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

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

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

Based on the above, the Company resolved at a meeting of its Board of Directors held on the date of this Press Release to express its support for the Tender Offer as its current opinion and to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their Company Share Certificates in the Tender Offer, if the Tender Offer has commenced.

(3) Matters Concerning Valuation

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

To ensure fairness in the decision-making process regarding the Tender Offer Price (JPY 8,800) proposed by the Offeror, the Company obtained the Share Valuation Report (SMBC Nikko Securities) dated August 7, 2024 from SMBC Nikko Securities, a financial advisor and third-party appraiser that is independent from the Offeror, the Offeror's Parent Company, KKR, and the Company. SMBC Nikko Securities does not constitute a related party of the Offeror, the Offeror's Parent Company, KKR, or the Company, and has no material interest in the Transactions. At the meeting of the Special Committee, the Special Committee confirmed that there is no issue with the independence of SMBC Nikko Securities and approved SMBC Nikko Securities as the Company's third-party appraiser. Additionally, the Company has implemented measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest (specifically, the measures described in "(6) Measures to Ensure Fairness in the Tender Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest" below). The Company believes that sufficient consideration has been given to the interests of the Company's minority shareholders. Therefore, the Company has not obtained a fairness opinion regarding the fairness of the Tender Offer Price (JPY 8,800) from SMBC Nikko Securities.

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

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

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

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

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

DCF Analysis: JPY 7,027 – JPY 9,529

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

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

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

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

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

When reviewing the Consultation Matters (as defined below), the Special Committee requested JP Morgan Securities, a financial advisor and third-party appraiser that is independent from the Offeror, the Offeror's Parent Company, KKR, and the Company, a valuation of the value of the Company Shares and also requested the submission of a fairness opinion (the "Fairness Opinion") stating that the Tender Offer Price (JPY 8,800 per share of the Company Shares) is fair to the shareholders of the Company from a financial point of view.

JP Morgan Securities reviewed the Company's financial condition and trends in the market price of the Company Shares and other factors, and concluded that it was appropriate to use a multifaceted approach and considered which valuation methods should be adopted from among multiple share valuation methods. Since there is a market price for the Company Shares, JP



Morgan Securities used the average market share price method, and it used the trading multiple analysis method because there are several listed companies comparable to the Company, making it possible to infer the share value of the Company Shares through comparison. It also used the transaction multiple analysis method, given that there are several publicly announced transactions that are relatively similar to the Tender Offer focusing on privatization deals involving Japanese companies engaged in similar businesses over the past few years, allowing for the inference of the share value of the Company Shares through comparison with those transactions. Lastly, JP Morgan Securities used the DCF Analysis to reflect future business activities in the valuation. Based on these methods, JP Morgan Securities calculated the share value of the Company Shares and submitted a share valuation report dated August 7, 2024 (the “Share Valuation Report (JP Morgan Securities)”) to the Special Committee. Additionally, on August 7, 2024, JP Morgan Securities submitted the Fairness Opinion to the Special Committee, which stated that, under the conditions set out in the Note below, the Tender Offer Price is fair to the Company’s shareholders from a financial point of view. The Share Valuation Report (JP Morgan Securities) and the Fairness Opinion were prepared solely to provide information and to support the Special Committee in its review of the Transactions. Please note that JP Morgan Securities is not a related party of the Offeror, the Offeror’s Parent Company, KKR, and the Company, and does not have any material interests in the Transactions.

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

Average market share price method:	JPY 6,505 – JPY 7,390
Trading multiple analysis method:	JPY 4,758 – JPY 5,566
Transaction multiple analysis method:	JPY 4,946 – JPY 7,253
DCF Analysis:	JPY 7,852 – JPY 10,453

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

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

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

Under the DCF Analysis, JP Morgan Securities conducted an analysis based on the Company’s business plan and financial forecasts for the fiscal years ending December 2024 through December 2028, as well as the revenue and investment plans outlined in the Company’s business plan, which were approved by the Special Committee for JP Morgan Securities to use. Based on that analysis, JP Morgan Securities determined that the range of the per-share value for the Company is between JPY 4,946 and JPY 7,253. In the analysis using the DCF Analysis, the financial forecasts were based on Business Plans prepared by the Company, but that does not include fiscal years where it is anticipated there will be significant fluctuations in profits or losses and fluctuations in the free cash flow. Additionally, potential synergy effects expected to be realized through

the execution of the Transactions were not reflected in the valuation as it was difficult to specifically estimate their impact on earnings at the time of the valuation. The share value of the Company was therefore calculated on a standalone basis.

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

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

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

JP Morgan Securities is the financial advisor of the Special Committee and is expected to receive compensation from the Company for its services as the financial advisor. That compensation is payable regardless of whether the Tender Offer, Etc. are executed. Further, the Company has agreed to indemnify JP Morgan Securities for certain liabilities that might arise out of its services. During the two years preceding the date of the Fairness Opinion, JP Morgan Securities and its affiliates did not have any financial advisory or other material commercial or investment banking relationships with the Company. During the two years preceding the date of the Fairness Opinion, JP Morgan Securities and its affiliates had commercial or investment

banking relationships with KKR & Co. Inc. (“KKR & Co”), which is the parent entity of Kohlberg Kravis Roberts & Co. L.P., for which JP Morgan Securities and its affiliates received customary compensation. Such services during such period have included providing financial advisory services to KKR & Co, and also providing debt syndication, debt underwriting, equity underwriting, and financial advisory services to KKR & Co’s portfolio companies. Additionally, JP Morgan Securities’ affiliated investment bank is an agent bank and a lender under outstanding credit facilities of the Offeror, KKR & Co, and its portfolio companies, and received customary compensation or other financial benefits for those services. In addition, as of the date of this Press Release, JP Morgan Securities and its affiliates hold, on a proprietary basis, less than 1% of the outstanding common stock or interests of each of KKR & Co. Inc. and the Company. In the ordinary course of their business, JP Morgan Securities and its affiliates may trade the debt and equity securities of the Company, or KKR & Co. and any of its portfolio companies for its own account or for the accounts of customers. Accordingly, JP Morgan Securities and those affiliates may at any time hold long or short positions in those securities.

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

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

(c) Outline of Calculations Regarding the Stock Acquisition Rights

The Stock Acquisition Rights are priced such that the Stock Acquisition Right Purchase Price is determined by multiplying the difference between the Tender Offer Price of JPY 8,800 and the exercise price per Stock Acquisition Right by the number of Company Shares underlying each Stock Acquisition Right. As a result, the Company has not obtained a valuation report or fairness opinion regarding the Stock Acquisition Right Purchase Price from a third-party appraiser.

Additionally, all of the Stock Acquisition Rights require approval from the Board of Directors of the Company for their acquisition by way of transfer as stipulated in the Terms and Conditions of Stock Acquisition Rights. Further, the transfer of the Stock Acquisition Rights is prohibited under the stock acquisition rights allotment agreements. To enable the transfer of the Stock Acquisition Rights, the Company resolved at the Board of Directors meeting held on August 8, 2024 to provide a blanket approval for the transfer of the Stock Acquisition Rights to the Offeror by having the Stock Acquisition Rights

Holders tender their Stock Acquisition Rights in the Tender Offer on the condition that the Tender Offer is successfully completed. The Company also resolved to amend the stock acquisition rights allotment agreements with the holders that wish to transfer their Stock Acquisition Rights, allowing for those transfers.

(4) Expected Delisting and Reasons Therefor

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

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

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

As described in “(a) Overview of the Tender Offer” in “(2) Grounds and Reasons for Opinion” above, in the event that the Offeror will be unable to acquire all of the Company Shares (which includes Restricted Shares and Company Shares delivered upon exercise of the Stock Acquisition Rights but excludes treasury shares owned by the Company) and Stock Acquisition Rights in the Tender Offer, after completion of the Tender Offer, promptly after completion of the settlement of the Tender Offer, the Offeror plans to request that the Company perform a share consolidation of the Company Shares pursuant to Article 180 of the Companies Act (“Share Consolidation”) and plans to request that the Company hold an extraordinary general shareholders meeting (“Extraordinary General Shareholders Meeting”), which is to include a proposal about a partial amendment to the Company’s Articles of Incorporation whereby the provision concerning the number of shares that constitute one unit shall be abolished subject to effectuation of the Share Consolidation. The Offeror believes that it is desirable to hold the Extraordinary General Shareholders Meeting as early as possible from the perspective of enhancing the value of the Company, and it plans to request that the Company make a public announcement about setting a record date during the Tender Offer Period so that the date immediately following commencement of settlement of the Tender Offer will be the record date for the Extraordinary General Shareholders Meeting. The date of the Extraordinary General Shareholders Meeting has not been determined at this time, but if the Tender Offer is commenced in the middle of September 2024, it is scheduled to be held in around December 2024. According to the Company Press Release, the Company will respond to such request if made by the Offeror. The Offeror plans to vote in favor of each of the above proposals at the Extraordinary General Meeting of Shareholders.

If the proposal for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, on the date on which the Share Consolidation becomes effective, the shareholders of the Company will own the number of Company Shares in accordance with the Share Consolidation ratio approved at the Extraordinary General Shareholders Meeting. If the number of shares resulting from the Share Consolidation results in fractions of less than one share, the money obtained by selling the fractions to the Company or the Offeror in a number equivalent to the sum total of such fractional shares (if the total sum includes fractional shares of less than one share, such sum shall be rounded down to the nearest whole number; hereinafter the same) will be delivered to shareholders of such fractional shares of the Company in accordance with the procedures stipulated in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sales price for the Company Shares in the number equivalent to the sum total of such fractional shares, the Offeror plans to set such price so that the amount of money delivered as a result of such sale to the shareholders of the Company that did not tender their shares in the Tender Offer (excluding the Offeror and the Company) will be equal to the amount calculated by multiplying the Tender Offer Price by the number of

Company Shares held by each such shareholder, and then request that the Company file a petition for permission for sale by private contract with a court. Further, although the ratio of the Share Consolidation is undecided as of today, to ensure that only the Offeror will own all Company Shares (excluding treasury shares possessed by the Company), it is planned that the number of shares that shareholders of the Company (excluding the Offeror and the Company) that do not tender shares in the Tender Offer will come to possess will be a fraction of less than one share.

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

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

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

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

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

Acquisition Rights and recommending that the Stock Acquisition Right Holders waive the Stock Acquisition Rights.

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

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

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

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

- (a) Receipt and Review of Proposals from Multiple PE funds

As stated in "(ii) Discussions Between the Offeror, the Company and 3DIP and the Offeror's Decision-Making Process, Etc." in "(b) Background, Purpose, and Decision-Making Process Leading to the Offeror's Decision to Conduct the Tender Offer and Management Policy Following the Tender Offer" in "(2) Grounds and Reasons for Opinion" above, the Company provided certain information to multiple PE funds in August 2023 and received information regarding their corporate value enhancement measures. Additionally, on September 4, 2023, the Company received written proposals regarding the privatization of the Company Shares from multiple PE funds at the request of 3DIP. As the process has proceeded following that, from early to late June 2024, the Company received legally binding letters of intent from two PE funds, including KKR, and a non-binding letter of intent from one PE fund. Following that, in light of the opinion of the Special Committee, after carefully considering the letter of intent it received, the Company concluded in the middle of July 2024 that the most crucial issue for advancing the Company's management is to restructure the shareholder composition. The Company concluded that accepting proposals from the PE funds was the best means to achieve this and it decided to proceed with discussions with KKR, which was the PE fund that offered the highest price. After that, through continuous discussions between the Board of Directors of the Company and the Special Committee with KKR regarding the implementation of the Transactions, the Company reached an agreement to proceed with the Transactions. It should be noted that, of the potential investors that made binding offers, compared to the terms proposed by KKR, no other potential investor has presented more favorable conditions for the Company's shareholders regarding the Tender Offer Price.

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

To ensure fairness in the decision-making process regarding the Tender Offer Price (JPY 8,800) proposed by the Offeror, the Company obtained the Share Valuation Report (SMBC Nikko Securities) dated August 7, 2024 from SMBC Nikko Securities,

a financial advisor and third-party appraiser that is independent from the Offeror, the Offeror's Parent Company, KKR, and the Company, to ensure fairness in the decision-making process regarding the Tender Offer Price (JPY 8,800) offered by the Offeror. For an overview of the Share Valuation Report (SMBC Nikko Securities), see "(a) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser" in "(3) Matters Concerning Valuation" above.

SMBC Nikko Securities is not a related party of the Offeror, the Offeror's Parent Company, KKR, or the Company and does not have any material interest in the Transactions. The Special Committee confirmed that there is no issue with the independence of SMBC Nikko Securities and approved SMBC Nikko Securities as the Company's third-party appraiser. Additionally, the Company has implemented measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest (specifically, the measures described in this "(6) Measures to Ensure Fairness in the Tender Offer such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest"). The Company believes that sufficient consideration has been given to the interests of the Company's minority shareholders. Therefore, the Company has not obtained a fairness opinion regarding the fairness of the Tender Offer Price (JPY 8,800) from SMBC Nikko Securities. The compensation paid to SMBC Nikko Securities includes a success fee payable on the condition that the Transaction is concluded, etc. However, taking into consideration general business practices in similar transactions and the appropriateness of the compensation structure, which would result in a significant financial burden for the Company if the Transaction is not concluded, the Company has appointed SMBC Nikko Securities as its financial advisor and third-party valuation institution based on the above compensation structure, condiring that the inclusion of a success fee payable on the condition that the Transaction is concluded, etc. does not negate its independence.

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

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

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

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

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. 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.

(a) Compare and review the Company's corporate value enhancement measures with the corporate value enhancement

measures proposed by the acquirers pertaining to the Privatization Proposals from the perspective of whether they would secure or enhance the corporate value of the Company and the common interests of Company's shareholders, and make recommendations or suggestions to the Board of Directors on which proposal is preferable

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

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

Additionally, on August 5, 2024, the Board of Directors of the Company received the August 4 Opinion from the Special Committee and resolved to consult with the Special Committee regarding the review of the proposal by KKR pertaining to the Final Company Process Proposal, specifically (a) whether to recommend to the Board of Directors of the Company the execution of the Transactions (including whether to support the Tender Offer and recommend that the Company's shareholders and stock acquisition rights holders tender their shares in the Tender Offer) and (b) whether the decision by the Board of Directors of the Company to execute the Transactions would not be disadvantageous to the minority shareholders of the Company (the "Consultation Matters"). When reviewing the Consultation Matters, the Special Committee is to (i) review and determine whether the execution of the transactions would contribute to enhancing the Company's corporate value and (ii) review and determine the appropriateness of the transaction terms and the fairness of the procedures from the perspective of protecting the interests of the Company's minority shareholders. Additionally, the Board of Directors of the Company resolved to make decisions on the 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 are not reasonable, the Board of Directors would not support the 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.

Since its establishment on September 12, 2023, the Special Committee has been proceeding with its review based on the Corporate Takeover Guidelines while relying on the professional advice of the financial and legal advisors it has engaged. The main activities of the Special Committee are as follows:

On September 15, 2023, the Special Committee recommended to the Board of Directors of the Company that the proposals from multiple potential investors received via 3DIP be considered bona fide offers under the Corporate Takeover Guidelines and be given sincere consideration. Additionally, recognizing the need to present corporate value enhancement strategies comparable to the proposals received from multiple potential investors via 3DIP, the Special Committee requested the Company to formulate and submit to it a new medium-term management plan that incorporates the ongoing medium-term management plan under consideration, including the transactions to make four listed subsidiaries wholly-owned subsidiaries, which were being considered at that time.

After receiving the draft of the new medium-term management plan from the Company, the Special Committee reviewed the draft over approximately one and a half months with the support of the global consulting firm it had engaged. At the same time, the Special Committee sought advice from the financial advisor it had engaged regarding the value of the Company



Shares based on the figures verified during the review from a financial perspective and it verified the details of that advice.

Additionally, the Special Committee conducted interviews with the PE funds and held question and answer sessions regarding their proposals (those interviews were held as necessary each time additional proposals were submitted by the PE funds). Taking into account the contents of those question and answer sessions and receiving professional advice from the advisors it has engaged, the Special Committee conducted comparative reviews and evaluations of each proposal according to the evaluation factors prescribed by the Corporate Takeover Guidelines (post-acquisition management policies, the appropriateness of transaction terms such as the acquisition price, financial strength, track record, management capabilities, and the feasibility of the acquisition).

Throughout those processes, the Special Committee submitted written opinions to the Board of Directors of the Company at appropriate stages. When additional bona fide offers were submitted by the PE funds, the Special Committee recommended sincere consideration of those offers. The Special Committee also emphasized that taking the Company private could offer advantages such as addressing and mitigating the challenges and concerns the Company faces while continuing to be listed, and it urged careful consideration of that option.

From early to late June 2024, the Special Committee received legally binding letters of intent from two PE funds, including KKR, and a non-binding letter of intent from one PE fund.

In order to compare and evaluate each offer, the Special Committee engaged in the following activities with the professional advice of the advisors it has engaged: (i) evaluation and comparison of each offer in accordance with the evaluation factors prescribed by the Corporate Takeover Guidelines (post-acquisition management policies, the appropriateness of transaction terms such as the acquisition price, financial strength, track record, management capabilities, and the feasibility of the acquisition), (ii) reacquisition of financial advice from the financial advisor engaged by the Special Committee regarding the value of the Company Shares, (iii) conduct of question and answer sessions with each fund to discuss the details of their offers, and (iv) conduct of price increase negotiations with each fund. Based on the information obtained through those activities, the committee conducted careful discussions at the meetings held in a timely manner.

Following that, on June 28, 2024, the Special Committee submitted the June 28 Opinion to the Board of Directors of the Company that included the following points: (i) the legally binding final proposal submitted by KKR (the “Final KKR Proposal”) is a proposal that will secure or enhance the corporate value of the Company and the common interests of its shareholders, (ii) the Final KKR Proposal is the best proposal as of that date if the Company decides to go private, (iii) the Board of Directors must examine and demonstrate the likelihood that, based on the realization of the new medium-term management plan, the anticipated share price will definitely exceed the price offered in the Final KKR Proposal, it should also consider alternative measures other than the Final KKR Proposal that eliminate or mitigate the Company’s existing challenges and risks, and fulfill its accountability on its response to the Final KKR Proposal and whether to accept that proposal from the perspective of securing or enhancing the corporate value of the Company and the common interests of the shareholders, and (iv) if the Board of Directors is unable to fulfill that accountability, it should initiate a specific process to obtain the judgment of the Company’s shareholders through actions such as KKR tendering its shares, while maintaining a competitive environment with potential counterproposals to the extent possible.

Additionally, on July 26, 2024, the Company received the July 26, 2024 Third-Party Written Proposal, which was non-binding, from a third party.

The Special Committee received professional advice from the advisors it has engaged and conducted a thorough examination of the July 26, 2024 Third-Party Written Proposal. That examination involved (i) receiving an explanation of the contents of the Third-Party Written Proposal from the Company, (ii) discussing the response policy while receiving professional advice from the advisors it has engaged, (iii) holding meetings with both KKR and that third party, (iv) communicating through the Company to confirm 3DIP’s stance on the July 26, 2024 Third-Party Written Proposal, and (v) carefully deliberating on the policy on how to respond to the July 26, 2024 Third-Party Written Proposal based on those meetings and confirmations.

As a result, considering that the July 26, 2024 Third-Party Proposal was a non-binding proposal, the likelihood of the third party obtaining 3DIP's consent to participate in the Tender Offer was unclear, and that 3DIP judged the Final KKR Proposal to be superior to the July 26, 2024 Third-Party Proposal, the Special Committee concluded that the feasibility of the July 26, 2024 Third-Party Proposal was questionable. On August 4, 2024, the Special Committee submitted the August 4 Opinion to the Board of Directors of the Company stating that there were no circumstances sufficient to alter the opinion it submitted on June 28, 2024.

During that period, after receiving professional advice from the advisors it had engaged, the Special Committee had discussions with the Company on the significance of the Transactions from the perspective of enhancing the corporate value of the Company, and based on the information obtained through those activities, the Special Committee held timely meetings to carefully deliberate on the Consultation Matters.

The Special Committee also carried out the following activities at appropriate times during the above-mentioned review process.

- The Special Committee verified and approved the independence of the members of the Special Committee and each advisor independently appointed by the Special Committee.
- The Special Committee reviewed and approved the various fairness measures implemented by the Company (including the independence of the advisors appointed by the Company, the internal review system, and the interests of the officers).
- The Special Committee held question and answer sessions with JP Morgan Securities, which was appointed as the third-party institution by the Special Committee, and SMBC Nikko Securities, which was appointed as the third-party appraiser by the Company. During those sessions, the Special Committee received explanations regarding the reasons for selecting specific valuation methods and the valuation processes for each method, including the underlying business plans and assumptions. Finally, on August 7, 2024, the Special Committee received a valuation report and fairness opinion from JP Morgan Securities, and on the same date, a valuation report from SMBC Nikko Securities.
- The Special Committee held regular information liaison meetings with the Company, during which the Company shared relevant information regarding this matter with the Special Committee, and the Special Committee communicated the status of its deliberations to the Company while providing necessary instructions.

After those careful discussions and consideration of the Consultation Matters, on August 7, 2024, the Special Committee submitted to the Board of Directors of the Company the August 7 Report with the following contents in general and with the unanimous approval of its members.

- (i) Content of Reporting on the Matters Entrusted
  - (a) The multiple Privatization Proposals that the Committee has examined are proposals that can eliminate or mitigate the Company's existing challenges and risks that the Committee is aware of, and that help secure or enhance the corporate value of the Company and the common interests of its shareholders. In addition, the Committee does not find anything particularly unreasonable in the process and content of the decision made by the Company's executives to select the Privatization Proposals, and it is consistent with the opinions that the Committee has expressed thus far. Therefore, the Committee believes that the corporate value enhancement measures based on the Privatization Proposals, which the Committee has examined, are preferable to the Company's corporate value enhancement measures.
  - (b) Based on the comparison and review of the multiple Privatization Proposals that the Committee has examined, the KKR Final Proposal is the best proposal at this time for the Company to go private. Therefore, the Committee believes that the Board of Directors of the Company should approve the Privatization Proposal in the KKR Final Proposal. The Committee's evaluation of the KKR Final Proposal is detailed in the Committee's report on the "Consultation Matters."

(ii) Reasons of Reporting on the Matters Entrusted

(a) Recognition of Current Status and Basic Views on Going Private

The Committee is concerned that the Company faces the management issues and risks described below, which may adversely affect the feasibility of the Company's medium-term management plan, the improvement of the Company's corporate value, and its stock price.

- In order to realize the goals set forth in the ambitious medium-term management plan announced by the Company on February 14, 2024, a stable management base from a medium- to long-term perspective is necessary.
- Discontinuous growth is difficult to achieve when constraints are placed on the allocation of management resources (capital allocation).
- From the perspective of pursuing growth, industry restructuring efforts may also be necessary.
- In order to consider and execute discontinuous growth, it is necessary to recruit personnel with expertise and practical experience from outside the Company.
- If a stable management base cannot be secured, the risk of failing to realize the medium-term management plan increases due to pressure to pursue short-term performance and measures, excessive prioritization of shareholder returns over business investment, and the dilemma of increasing 3DIP's equity through share repurchases.
- Mergers that require a special resolution of the general shareholders meeting and industry restructuring efforts using the Company's treasury shares are very difficult hurdles from the perspective of shareholder composition.
- Failure to achieve the goals of the medium-term management plan in the short term and delays in progress could trigger a proxy fight demanding the resignation of the management.
- As the share price rises, there is a growing concern that the equity held by 3DIP will be released into the market, which could weigh on the upside of the share price.

Therefore, the Committee recognizes that going private is a plan that deserves the Company's positive consideration in that it will eliminate or mitigate the challenges and risks to the Company described above.

Accordingly, while the Committee recognizes that the Company's executives and Board of Directors are not currently actively offering the Company for sale and looking for potential acquirers, the Committee evaluated each Privatization Proposal in accordance with the Corporate Takeover Guidelines from the perspective of whether it would secure or enhance the corporate value of the Company and the common interests of its shareholders.

(b) Whether or Not the Proposal is a "Bona Fide Offer"

In light of the decision factors in the Corporate Takeover Guidelines, each Privatization Proposal is a "bona fide offer." Since the Company recognizes that it is not currently actively offering itself for sale and looking for potential acquirers, the Company is not conducting what is called a "proactive market check." However, in light of the following points, it is possible to deem that the Company secures a competitive environment equivalent to a "proactive market check," and it is reasonable to compare the proposals already submitted.

- The Company's press release of January 12, 2024 entitled "Notice on the Progress of the Study of Measures to Enhance Corporate Value" made it public knowledge that the Company had received and was considering Privatization Proposals from several funds. Therefore, potential acquirers who were interested in taking the Company private had ample opportunity and time to make proposals to the Company.
- With respect to the candidates who participated in the due diligence conducted by the Company, the Company has already received their proposals or confirmed their intention to make a proposal.

- Since those proposals have an expiration date, there is some concern that candidate proposals may expire if the Company conducts an “proactive market check.”
- If the Company decides to go private, it could conduct an “indirect market check” after the public announcement of the decision, by taking steps that would allow other potential acquirers to make competing proposals.

(c) Comparison of the Proposals

Based on the Corporate Takeover Guidelines and the circumstances unique to this transaction, the Committee compared and reviewed those proposals from the perspectives of (1) post-acquisition management policies, (2) appropriateness of transaction terms such as the acquisition price, (3) financial strength, track record, management capabilities, and (4) feasibility of the acquisition.

As a result of the comparison and review, the Committee has concluded that the KKR Final Proposal is currently the best proposal for the Company to go private, on the grounds that:

- The price offered by KKR is within the range of the fair value calculated by an independent third-party appraiser in its share valuation report;
- The price offered by KKR is the highest of the prices offered by all the candidates in their legally binding proposals, and KKR’s proposal is the most preferable in terms of feasibility;
- The Final KKR Proposal is to pay the fair value with those features to the Company’s shareholders in cash at this time; and
- It is difficult to demonstrate the probability that the anticipated share price to be obtained in the future through the realization of the medium-term management plan developed by the Company will definitely exceed the price offered in the Final KKR Proposal.

(d) Evaluation of Third-Party Proposal dated July 26, 2024

As a simple comparison, the price offered in the third-party proposal dated July 26, 2024 is approximately 5% higher than the price offered in the Final KKR Proposal. However, it is doubtful that the July 26, 2024 third-party proposal is feasible in light of the following facts and that the Final KKR Proposal is superior:

- The Final KKR Proposal is a legally binding proposal, whereas the July 26, 2024 third-party proposal is a non-legally binding proposal;
- The Final KKR Proposal and the July 26, 2024 third-party proposal both employ the scheme of taking the Company private through the acquisition of all of the Company’s shares, for which the consent and acceptance of the offer by 3DIP, the Company’s major shareholder, is essential. While the Final KKR Proposal has obtained the consent of 3DIP to enter into a tender offer agreement that does not contain a fiduciary out clause, the third party has not obtained the first refusal right, and the likelihood of obtaining such consent is uncertain at this time;
- It is doubtful that the financing that would support the price in the July 26, 2024 Third Party Proposal is certain to be in place.
- 3DIP has determined that the Final KKR Proposal is superior in terms of price (The time value and whether it is legally binding are also taken into account when assessing the superiority of the price.), promptness, feasibility, and certainty, while the third party has not provided any specific details about its prospect that can cause 3DIP to change its mind.

In addition, according to the content of the July 26, 2024 third-party proposal and the results of the Committee’s review with the third party, KKR and 3DIP, the Committee cannot rule out the concern that, if the July 26, 2024 third-party proposal is considered, the Final KKR Proposal will expire or become unfeasible, thereby harming the interests of our minority shareholders.

Accordingly, there are no circumstances sufficient to alter the foregoing conclusion that the Final KKR Proposal is the best proposal, even taking into account the existence of the July 26, 2024 third-party proposal.

- (iii) Content of Reporting on the Consultation Matters
  - (a) The Committee recommends that the Board of Directors of the Company should, upon the announcement regarding the scheduled disclosure of the Tender Offer, execute the Transactions (including approving the resolution to express its opinion that it supports the Tender Offer and recommend that the shareholders and stock acquisition right holders of the Company tender their shares in the Tender Offer).
  - (b) The decision by the Board of Directors of the Company to execute the Transactions is not disadvantageous to the minority shareholders of the Company.
- (iv) Reasons of Reporting on the Consultation Matters
  - (a) Whether or Not the Transactions Contribute to the Enhancement of the Company's Corporate Value
    - The Company's recognition of the business environment surrounding the Company, management issues, and measures to enhance corporate value based on the Medium-Term Management Plan 2028 as described in this disclosure document is in line with the Company's previous recognition, and according to the content of the Final KKR Proposal, the questions and answers to KKR conducted by the Committee, and relevant disclosure documents, KKR's recognition is also generally in line with the Company's recognition.
    - The Company's executives have determined that the Transactions will contribute to the enhancement of the Company's corporate value on the grounds that:
      - ✓ In order to implement the Medium-Term Management Plan 2028, a stable business environment from a medium- to long-term perspective is necessary, and with the current shareholder composition, we cannot rule out the possibility that the allocation of management resources (capital allocation) envisioned in the Medium-Term Management Plan may be restricted;
      - ✓ Therefore, there is merit in reducing the burden on management by means of the impact of the current shareholder composition;
      - ✓ The Medium-Term Management Plan 2028 was prepared on the premise that the Company would remain listed, and we recognize that it is possible to achieve the goals of the Plan while allowing the Company to remain listed. However, since the anticipated figures for the five years through 2028, subject to which KKR acquires the Company, are based on the assumption that the cash flow will exceed those in the Medium-Term Management Plan 2028, it may be possible to further enhance the Company's corporate value through the Transactions rather than allowing the Company to remain listed;
      - ✓ In the new business areas to be considered in the Medium-Term Management Plan 2028, KKR's global network of information, human resources, and capital may contribute to the enhancement of the Company's corporate value;
      - ✓ It is difficult to demonstrate the probability that the anticipated share price to be obtained in the future by the realization of the Medium-Term Management Plan 2028 will exceed the price offered in the Final KKR Proposal;
      - ✓ It is possible to increase the feasibility of enhancing the medium- to long-term corporate value of the Company by further promoting the Company's business strategy with the support of KKR, which has a wealth of experience of investment in mainly in domestic and overseas companies, and relevant knowledge and network;

- ✓ Going private through the Tender Offer will secure a stable shareholder composition and push forward with the realization of the new medium-term management plan, thereby enhancing the viability of the new medium-term management plan and increasing the certainty of achieving the goals of the plan; and
  - ✓ We expect to obtain alliance support from KKR in the future in new business areas that the Company will strategically address and in various fields based on technology trends, as well as support related to M&A and PMI execution.
- Their above-stated determination is consistent with the nature of the Company's challenges and risks that the Committee is aware of and the reasons why the Committee has assessed that the Final KKR Proposal is the best proposal at this time to take the Company private, and the Committee agrees with the determination.
  - In light of the above, the Committee can affirm that it is reasonable for the Company to have determined that, with KKR's support, the Company may be able to enhance the feasibility of enhancing its medium- to long-term corporate value by further promoting its business strategy, and by going private through the Tender Offer, the Company will secure a stable shareholder composition and push forward with the realization of its medium-term management plan, thereby enhancing the viability of the new medium-term management plan and increasing the certainty of achieving the goals of the plan.
  - According to the Company's executives, the impact on management is limited because the Company can deal with the general disadvantages associated with delisting, and it is expected that the delisting will produce benefits that more than offset the disadvantages. The Committee is not aware of any circumstances that would overturn this decision of the Company's executives.
  - From the perspective of enhancing the Company's corporate value, the Committee has found no circumstances that would lead us to believe that there are effective alternatives to the Transactions at this time.
  - Accordingly, the Committee believes that the Transactions will contribute to the enhancement of the Company's corporate value.
- (b) Whether or Not the Terms of the Transactions are Reasonable
- The terms of the Transactions can be evaluated as having been agreed upon in circumstances that are substantially the same as if the Transactions were conducted at arm's length, on the grounds that:
    - ✓ Since the Transactions are an acquisition by an investment fund independent of the Company, there is no structural concern that the acquirer and the Company will negotiate the terms in a manner that they rely on the familiarity and closeness between them;
    - ✓ It is inferred to a certain extent that the price offered by KKR, which was the highest in a competitive environment equivalent to a "proactive market check," is the best terms reasonably feasible at this time;
    - ✓ KKR's price is offered after the Committee requested the candidate funds to present their best proposal, including a review of the price and conditions precedent; and
    - ✓ The price has been agreed after the negotiation between KKR and 3DIP, a major shareholder and the largest shareholder owning approximately 23.46% of the Company's shares, and Farallon, owning approximately 9.22% of the Company's shares, who both have a strong incentive to raise the sale price as they have a strong stake in maximizing the sale price and who both have expertise in equity valuation.
  - The Committee has obtained the Fairness Opinion from JP Morgan Securities, which has been retained by the Company.

- In the Share Valuation Report (JP Morgan Securities), the Tender Offer Price is at a level that exceeds the upper limit of each range of the average market price method, the trading multiple analysis method, and the transaction multiple analysis method, and falls within the range of the DCF Analysis. In the Share Valuation Report (SMBC Nikko Securities), the Tender Offer Price is at the level that exceeds the upper limit of each range of the average market price method and the comparable listed company method, and falls within the range of the DCF Analysis. Please note that the calculation method and specific application in each calculation are within the reasonable discretion of each valuator, and it is reasonable to assume that the content of each calculation is reasonable and to verify the appropriateness of the Tender Offer Price by relying on the results of such calculations.
- The premium based on the day before the announcement date of the Tender Offer Price is at the level that is slightly below that of similar transactions. However, when compared to the Company's share price prior to past shareholder proposals and speculative reports regarding the Transactions, the premium level is higher than that of similar transactions.
- The method of the Transactions, which is a combination of a tender offer and a share consolidation squeeze-out procedure, is common. The consideration is paid in cash which is highly liquid. The amount to be delivered in the squeeze-out procedure is the same amount as the Tender Offer Price. Therefore, the method and consideration for the Transactions are reasonable.
- From the above, the Tender Offer Price is a reasonable price that ensures the benefits to be enjoyed by the Company's minority shareholders, and the purchase price for the Stock Acquisition Rights is also a reasonable price, which is the difference between the Tender Offer Price and the exercise price per share of the Company's stock for each Stock Acquisition Right multiplied by the number of shares of the Company's stock to be acquired for each Stock Acquisition Right. Therefore, the Committee believes that the Tender Offer provides the Company's shareholders and stock acquisition right holders with an opportunity to sell their shares at a reasonable price with an appropriate premium, and that the terms of the Transactions are appropriate.

(c) Whether or Not the Fairness of the Procedures is Secured in the Transactions

① Establishment of the Committee

The Committee functioned effectively during the process of considering the Transactions on the grounds that:

- The Committee was established on September 12, 2023, shortly after September 4, 2023, when the Company received the Privatization Proposals from several offerors;
- All six committee members are independent and have knowledge of the Company's business, legal, accounting tax and capital markets;
- From the initial stages of the Transactions, the Committee retained JPMorgan Securities, SHIOMIZAKA (law firm), and a global consulting firm as its independent advisors, and they provided the Committee with a wide range of expert advice, the Share Valuation Report (JP Morgan Securities) and the Fairness Opinion, and assistance in verifying the business plan, etc.;
- The Committee received material information, including non-public information, from the Company and its advisors in a timely manner;
- The Committee met each candidate fund in person several times and asked questions and received answers regarding the content of the proposal given by that fund. The Committee requested the candidate funds to present their best proposal, including a review of the price and conditions precedent. The Committee gave necessary instructions to the Company's executives after receiving reports on the details of discussions

between the Company's executives and the candidate funds. Through those actions, the Committee was substantially involved in the process of discussion and negotiation with the offerors.

- ② Obtaining Professional Advice, etc. from Independent Outside Experts
  - From the initial stages of the Transactions, the Company retained SMBC Nikko Securities and Mori Hamada & Matsumoto (law firm) as independent advisors and obtained their expert advice.
- ③ Securing Opportunities for Other Potential Acquirers to Make a Takeover Bid ("Market Check")
  - As discussed in the section "Reasons of Reporting on the Matters Entrusted," a competitive environment equivalent to an "proactive market check" is secured for the Transactions.
  - The tender offer period for the Tender Offer is 30 business days. Since this is a pre-announced tender offer, there will be a reasonable length of a time period between the announcement date of the Tender Offer and the commencement date of the Tender Offer. The Company has not entered into any agreement with the Offeror that would restrict competing offerors from contacting the Company or doing similar actions. Therefore, a sufficient deliberation period is given to shareholders to consider whether or not to tender their shares in the Tender Offer, and the opportunity to make a competing offer is secured in an objective manner.
- ④ Majority of the Minority Condition
  - It is unnecessary to set out the majority of the minority (MoM) condition because the Transactions are not structural conflict-of-interest transactions; other measures to secure fairness are substantially taken for the Transactions; and there is a concern that the MoM condition makes the consummation of the Offer unstable and, in turn, does not serve the interests of minority shareholders who wish to tender their shares in the Offer.
- ⑤ The Company's Internal Decision-Making Process
  - None of the officers and employees who engage in the consideration, discussion and negotiation of the Transactions are involved with KKR or any other PE fund that is a candidate offeror. In addition, given that the Committee has been formed for the Transactions and that the Company's Board of Directors is composed of a majority of independent outside directors, there are no directors who have an interest that should be excluded from the discussions and negotiations of the Transactions.
  - In addition, at the meeting of the Board of Directors regarding the opinion to be expressed upon the public announcement of the Transactions, it is expected that the resolution will be unanimously approved by all of the Company's directors, and all of the Company's auditors will state that they have no objection to the Transactions.
- ⑥ Providing Substantial Information to General Shareholders and Increasing the Transparency of the Process
  - The disclosure documents for the Transactions contain substantial information about the Committee, the valuation reports, and the process and negotiations history leading to the implementation of the Transactions, which contributes to the appropriate decision of minority shareholders.
- ⑦ Elimination of Coercion
  - The Transactions are designed to eliminate coercion in that the Transactions are not a so-called partial acquisition, but a two-step entire acquisition for cash consideration using a tender offer and a share consolidation; the disclosure documents of the Transactions contain the details of the Squeeze-Out Procedure, the fact that shareholders are granted the right to petition for pricing, and the fact that the amount of money to be delivered to minority shareholders in the Squeeze-Out Procedure is the same as the Tender Offer Price.



- Accordingly, the Committee believes that the fairness of the procedures is secured in the Transactions.

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

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

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

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

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

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

The Board of Directors carefully discussed and examined the terms of the Transactions. This was done by considering financial advice from SMBC Nikko Securities, the details of the Share Valuation Report (SMBC Nikko Securities), and the legal advice received from Mori Hamada & Matsumoto and by respecting to the utmost the contents of the August 7 Report obtained from the Special Committee.

As described in "(b) Background, Purpose, and Decision-Making Process Leading to the Offeror's Decision to Conduct the Tender Offer and Management Policy Following the Tender Offer" in "(2) Grounds and Reasons for Opinion" above, the Company judged that, because the Tender Offer Price of JPY 8,800 per share is a fair price that ensures the benefits to be enjoyed by the Company's minority shareholders and, given that the Stock Acquisition Right Purchase Price is calculated as the Tender Offer Price of JPY 8,800 minus the exercise price per share of the Stock Acquisition Rights multiplied by the number of shares underlying each Stock Acquisition Right, the Stock Acquisition Right Purchase Price is also a fair price, the Tender Offer will provide the Company's shareholders and stock acquisition rights holders with a reasonable opportunity to sell the Company Shares at a price with an appropriate premium, and the Company passed a resolution at the meeting of the Board of Directors held on the date of this Press Release to express its support for the Tender Offer as its current opinion and recommend to the shareholders of the Company and the Stock Acquisition Rights Holders to tender their Company Share Certificates in the Tender Offer, if the Tender Offer has commenced.

As mentioned above, the Offeror intends to promptly implement the Tender Offer once the Conditions Precedent have been satisfied or waived by the Offeror. According to the Offeror, as of the date of this Press Release, it aims to commence the

Tender Offer around the middle of September 2024. However, since it is difficult to accurately predict the time required for the procedures of authorities with jurisdiction over the procedures for the Clearance, the Offeror will announce the details of the Tender Offer schedule as soon as they are determined.

For that reason, the Company resolved at the above meeting of the Board of Directors to (a) ask the Special Committee to consider whether there is any change to the August 7 Report submitted by the Special Committee to the Board of Directors on August 7, 2024 upon the commencement of the Tender Offer and, if there has not been any change, to inform the Board of Directors of that fact, or, if there has been a change, to inform the Board of Directors of its opinion after that change and (b) express its opinion on the Tender Offer again upon the commencement of the Tender Offer in light of that opinion.

At the above meeting of the Board of Directors, 12 directors of the Company participated in the deliberations and resolution, with all participating directors unanimously passing that resolution. The examination framework for the Transactions that was established within the Company (including the scope of the Company officers involved in the review, negotiations, and decision-making for the Transactions) was established based on advice from Shiomizaka, an independent law firm, and has been approved by the Special Committee to ensure there are no issues regarding independence and fairness.

Additionally, that meeting of the Board of Directors 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.

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

In principle, the Offeror plans to set the Tender Offer Period at 30 business days, whereas the minimum period required by laws and regulations is 20 business days. By setting a longer Tender Offer Period than the minimum period required by laws and regulations, shareholders of the Company and the Stock Acquisition Right Holders will have the opportunity to make appropriate judgments as to whether to tender in the Tender Offer, and the Offeror will ensure that those other than the Offeror (“Proposers of Competing Acquisitions”) have an opportunity to make competing offers to purchase the Company Securities. In this manner, the Offeror intends to secure the fairness of the Tender Offer Price. In light of the timing of commencement of the Tender Offer, the Tender Offer Period may be set at a period shorter than 30 business days; however, even in that case, considering that the Tender Offer is a so-called “pre-announced tender offer”, and the period from the announcement date of the Tender Offer to the commencement date of the Tender Offer, the Offeror believes there will be adequate opportunities for shareholders of the Company and the Stock Acquisition Right Holders to make appropriate judgments as to whether to tender in the Tender Offer, and opportunities for Proposers of Competing Acquisitions to engage in competing purchases and the like.

Furthermore, as described in “(b) Background, Purpose, and Decision-Making Process Leading to the Offeror’s Decision to Conduct the Tender Offer and Management Policy Following the Tender Offer” in “(2) Grounds and Reasons for Opinion” above, the Company started the Company Information Provision Process in August 2023, and by comparing and examining measures to enhance corporate value to be realized through privatizing the Company Shares, which were provided by multiple candidates, including KKR, with measures to enhance corporate value that the Company is expected to realize as a listed company, the Company concluded that the measures to enhance corporate value to be realized through privatizing the Company Shares are more desirable from the perspective of securing and enhancing its corporate value and, ultimately, the common interests of its shareholders. Since the commencement of the 3DIP Process and Company Information Provision Process, while maintaining a certain level of competition and continuing discussions and interviews with multiple candidates, the Company received multiple proposals for privatization, and compared these proposals. As a result the Company decided to commence discussions and deliberations with KKR, whose final proposal was best, towards the implementation of the Transaction (including negotiations on the final Tender Offer Price), and after ongoing discussions and negotiations, KKR was selected as the final candidate. The Company received information on measures to improve corporate value, and at least one privatization proposal from all candidates that participated in the Company Information Provision Process. Further, according to the disclosure document titled “Notice Regarding the Status of Consideration of Measures to Enhance Corporate Value” published January 12, 2024, it is public knowledge that the Company has received proposals to be taken private from

several PE funds and is considering the details of such proposals, and until today, there has been ample opportunity and time for potential acquirers interested in taking the Company private to make proposals. Because an expiration date was set for the Final KKR Proposal, proactive market checks are not necessarily the best option from the perspective of securing and improving corporate value and the common interests of shareholders, in that it raises concerns that the Final KKR Proposal may expire. Therefore, the Offeror believes that careful consideration to secure and improve corporate value and the common interests of shareholders and substantial and proactive market checks have been performed over a sufficient period of time. In addition, since there is a long period until commencement of the Tender Offer, the Offeror believes that the minority shareholders of the Company have an opportunity to make decisions regarding whether to tender in the Tender Offer and that there is an opportunity for persons other than the Offeror to purchase the Company Securities, etc. Based on these factors, the Offeror believes there are sufficient opportunities for persons other than the Offeror to purchase the Company Securities.

(i) Elimination of Coercion

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

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

(1) 3DIP Tender Agreement

On August 8, 2024, the Offeror entered into the 3DIP Tender Agreement with 3DIP, including an agreement to tender 14,834,000 shares of the Company Shares for which 3DIP has investment authority (Ownership Ratio: 23.46%) in the Tender Offer and the following terms. The Offeror has not agreed to provide or offer any benefits to 3DIP in addition to the consideration for tendering in the Tender Offer with respect to the Transaction.

(a) The Offeror will commence the Tender Offer on the condition that the following conditions precedent are satisfied or waived by the Offeror:

(1) the Special Committee has made a report containing positive opinions about the Company’s Board of Directors’ expression of opinion to support the Tender Offer, and that report has not been changed or withdrawn;

(2) the Company’s Board of Directors has adopted a resolution expressing its opinion in support of the Tender Offer, and that fact has been published in accordance with laws and regulations, and that expression of the opinion has not been changed or withdrawn;

(3) there have been no judgments or decisions by judicial or administrative authorities restricting or prohibiting the Transaction or tendering under the 3DIP Tender Agreement, and there are no specific risks of the foregoing;

(4) (I) the Company and its subsidiaries have not determined matters set forth in Article 14, paragraph (1), item (i), (a) through (j) as well as (m) through (s) of the Order, (II) matters set forth in Article 14, paragraph (1), item (iii), (a) through

(h) as well as Article 14, paragraph (1), item (iv) of the Order have not occurred at the Company, (III) matters set forth in Article 14, paragraph (1), item (iii), (a) through (g) of the Order have not occurred at the Company's important subsidiaries, (IV) matters set forth in Article 14, paragraph (1), items (iii) through (iv) of the Order have not occurred at the Company, and (V) there have been no situations in which it was discovered that any of the statutory disclosure documents submitted by the Company in the past contained a false statement regarding a material matter or omitted a material matter that should have been included, where the Offeror is unaware of the false statement or omission and could not become aware of the same despite having used a reasonable degree of care (however, in any of (I) through (IV), excluding those described as minor in Article 26 of the Cabinet Office Order);

(5) obligations to be performed or complied with by 3DIP by the commencement date of the Tender Offer under the 3DIP Tender Agreement (Note 1) have been performed or complied with in all material respects;

(6) all of the representations and warranties of 3DIP set forth in the 3DIP Tender Agreement (Note 2) are true and accurate in material respects;

(7) confirmation has been obtained from the Company that there are no material facts (those set forth in Article 166, paragraph (2) of the Act) concerning the business or other particulars related to the Company that have not been disclosed (having the meaning set forth in Article 166, paragraph (4) of the Act) by the Company;

(8) acquisition of the Clearance has been completed;

(Note 1) Under the 3DIP Tender Agreement, 3DIP shall (i) not acquire or dispose of the Company Shares except for tendering in the Tender Offer; (ii) not enter into any transaction or agreement that is substantially inconsistent or in conflict with the Tender Offer, nor shall it provide information or engage in discussions, negotiations, etc. regarding any such transaction; (iii) notify the Offeror in the event of a proposal for a transaction under (ii); (iv) exercise rights as a shareholder in accordance with the instructions of the Offeror at the Company's general meeting of shareholders, of which the record date for exercising rights is prior to the commencement date of settlement of the Tender Offer, to be held on a date after the record date; (v) compensate for breach of obligations under the 3DIP Tender Agreement; (vi) maintain confidentiality; and (vii) not assign its position under the 3DIP Tender Agreement or its rights and obligations under the 3DIP Tender Agreement.

(Note 2) Under the 3DIP Tender Agreement, 3DIP has made representations and warranties to the Offeror, on the date of conclusion of the 3DIP Tender Agreement, the commencement date of the Tender Offer, and the commencement date of settlement of the Tender Offer, regarding (i) survival and authority; (ii) possession of the power and authority necessary for conclusion and performance of the 3DIP Tender Agreement and implementation of necessary procedures; (iii) enforceability of the 3DIP Tender Agreement; (iv) acquisition of permission, etc. for the conclusion and performance of the 3DIP Tender Agreement by 3DIP; (v) absence of conflicts with laws and regulations due to conclusion and performance of the 3DIP Tender Agreement; (vi) non-applicability of antisocial forces or economic sanctioned persons and absence of relationships with antisocial forces; (vii) the absence of bankruptcy proceedings, and (viii) the lawful holding of the Company Shares to be tendered in the Tender Offer and the absence of any security interests, etc. therein.

(b) 3DIP shall tender in the Tender Offer all of the Company Shares owned by 3DIP subject to the following conditions precedent being satisfied or waived by 3DIP (for the avoidance of doubt, even if the following conditions precedent are not satisfied, 3DIP will not be prevented from tendering in the Tender Offer by waiving all or part of such conditions precedent at its discretion):

(1) the Tender Offer by the Offeror has been commenced in accordance with the provisions of the 3DIP Tender Agreement and has not been subsequently withdrawn;

(2) the Special Committee has made a report containing positive opinions about the Company's Board of Directors' expression of opinion to support the Tender Offer, and that report has not been changed or withdrawn;

(3) the Company's Board of Directors has adopted a resolution expressing its opinion in support of the Tender Offer, and that fact has been published in accordance with laws and regulations, and that expression of the opinion has not been changed or withdrawn;

(4) there have been no judgments or decisions by judicial or administrative authorities restricting or prohibiting the Transaction or tendering under the 3DIP Tender Agreement, and there are no specific risks of the foregoing;

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

(6) all of the representations and warranties of the Offeror set forth in the 3DIP Tender Agreement (Note 4) are true and accurate in material respects.

(Note 3) Under the 3DIP Tender Agreement, the Offeror shall (i) commence the Tender Offer on the condition that all of the conditions precedent set forth in the 3DIP Tender Agreement are satisfied or waived by the Offeror; (ii) compensate for breach of obligations under the 3DIP Tender Agreement; (iii) maintain confidentiality; and (iv) not assign its position under the 3DIP Tender Agreement or its rights and obligations under the 3DIP Tender Agreement.

(Note 4) Under the 3DIP Tender Agreement, the Offeror has made representations and warranties to 3DIP, on the date of conclusion of the 3DIP Tender Agreement, the commencement date of the Tender Offer, and the commencement date of settlement of the Tender Offer, regarding (i) survival and authority; (ii) possession of the power and authority necessary for conclusion and performance of the 3DIP Tender Agreement and implementation of necessary procedures; (iii) enforceability of the 3DIP Tender Agreement; (iv) acquisition of permission, etc. for the conclusion and performance of the 3DIP Tender Agreement by the Offeror; (v) absence of conflicts with laws and regulations due to conclusion and performance of the 3DIP Tender Agreement; (vi) non-applicability of antisocial forces or economic sanctioned persons and absence of relationships with antisocial forces; and (vii) the absence of bankruptcy proceedings.

## (2) Farallon Tender Agreement

On August 8, 2024, the Offeror entered into the Farallon Tender Agreement with Farallon, including an agreement to tender 5,833,670 shares of the Company Shares (Ownership Ratio: 9.22%) owned by Farallon in the Tender Offer and the following terms. The Offeror has not agreed to provide or offer any benefits to Farallon in addition to the consideration for tendering in the Tender Offer with respect to the Transaction.

(a) The Offeror will commence the Tender Offer on the condition that the following conditions precedent are satisfied or waived by the Offeror:

(1) the Special Committee has made a report containing positive opinions about the Company's Board of Directors' expression of opinion to support the Transaction, and that report has not been changed or withdrawn;

(2) the Company's Board of Directors has adopted a resolution expressing its opinion in support of the Transaction, and that fact has been published in accordance with laws and regulations, and that expression of the opinion has not been changed or withdrawn;

(3) there have been no judgments or decisions by judicial or administrative authorities restricting or prohibiting the Transaction or tendering under the Farallon Tender Agreement, and there are no specific risks of the foregoing;

(4) (I) the Company and its subsidiaries have not determined matters set forth in Article 14, paragraph (1), item (i), (a) through (j) as well as (m) through (s) of the Order, (II) matters set forth in Article 14, paragraph (1), item (iii), (a) through (h) as well as Article 14, paragraph (1), item (iv) of the Order have not occurred at the Company, (III) matters set forth in Article 14, paragraph (1), item (iii), (a) through (g) of the Order have not occurred at the Company's important subsidiaries, (IV) matters set forth in Article 14, paragraph (1), items (iii) through (iv) of the Order have not occurred at the Company, and (V) there have been no situations in which it was discovered that any of the statutory disclosure documents submitted

by the Company in the past contained a false statement regarding a material matter or omitted a material matter that should have been included, where the Offeror is unaware of the false statement or omission and could not become aware of the same despite having used a reasonable degree of care (however, in any of (I) through (IV), excluding those described as minor in Article 26 of the Cabinet Office Order);

(5) obligations to be performed or complied with by Farallon by the commencement date of the Tender Offer under the Farallon Tender Agreement (Note 1) have been performed or complied with in all material respects;

(6) all of the representations and warranties of Farallon set forth in the Farallon Tender Agreement (Note 2) are true and accurate in material respects;

(7) confirmation has been obtained from the Company that there are no material facts (those set forth in Article 166, paragraph (2) of the Act) concerning the business or other particulars related to the Company that have not been disclosed (having the meaning set forth in Article 166, paragraph (4) of the Act) by the Company;

(8) acquisition of the Clearance has been completed;

(Note 1) Under the Farallon Tender Agreement, Farallon shall (i) not acquire or dispose of the Company Shares except for tendering in the Tender Offer; (ii) not enter into any transaction or agreement that is substantially inconsistent or in conflict with the Tender Offer, nor shall it provide information or engage in discussions, negotiations, etc. regarding any such transaction; (iii) notify the Offeror in the event of a proposal for a transaction under (ii); (iv) exercise rights as a shareholder in accordance with the instructions of the Offeror at the Company's general meeting of shareholders, of which the record date for exercising rights is prior to the commencement date of settlement of the Tender Offer, to be held on a date after the record date; (v) compensate for breach of obligations under the Farallon Tender Agreement; (vi) maintain confidentiality; and (vii) not assign its position under the Farallon Tender Agreement or its rights and obligations under the Farallon Tender Agreement.

(Note 2) Under the Farallon Tender Agreement, Farallon has made representations and warranties to the Offeror, on the date of conclusion of the Farallon Tender Agreement, the commencement date of the Tender Offer, and the commencement date of settlement of the Tender Offer, regarding (i) survival and authority; (ii) possession of the power and authority necessary for conclusion and performance of the Farallon Tender Agreement and implementation of necessary procedures; (iii) enforceability of the Farallon Tender Agreement; (iv) acquisition of permission, etc. for the conclusion and performance of the Farallon Tender Agreement by Farallon; (v) absence of conflicts with laws and regulations due to conclusion and performance of the Farallon Tender Agreement; (vi) non-applicability of antisocial forces or economic sanctioned persons and absence of relationships with antisocial forces; (vii) the absence of bankruptcy proceedings, and (viii) the lawful holding of the Company Shares to be tendered in the Tender Offer and the absence of any security interests, etc. therein.

(b) Farallon shall tender in the Tender Offer all of the Company Shares owned by Farallon subject to the following conditions precedent being satisfied or waived by Farallon (for the avoidance of doubt, even if the following conditions precedent are not satisfied, Farallon will not be prevented from tendering in the Tender Offer by waiving all or part of such conditions precedent at its discretion):

(1) the Tender Offer by the Offeror has been commenced in accordance with the provisions of the Farallon Tender Agreement and has not been subsequently withdrawn;

(2) the Special Committee has made a report containing positive opinions about the Company's Board of Directors' expression of opinion to support the Tender Offer, and that report has not been changed or withdrawn;

(3) the Company's Board of Directors has adopted a resolution expressing its opinion in support of the Tender Offer, and that fact has been published in accordance with laws and regulations, and that expression of the opinion has not been changed or withdrawn;

(4) there have been no judgments or decisions by judicial or administrative authorities restricting or prohibiting the Transaction or tendering under the Farallon Tender Agreement, and there are no specific risks of the foregoing;

(5) obligations to be performed or complied with by the Offeror by the commencement date of the Tender Offer under the Farallon Tender Agreement (Note 3) have been performed or complied with in all material respects; and

(6) all of the representations and warranties of the Offeror set forth in the Farallon Tender Agreement (Note 4) are true and accurate in material respects.

(Note 3) Under the Farallon Tender Agreement, the Offeror shall (i) commence the Tender Offer on the condition that all of the conditions precedent set forth in the Farallon Tender Agreement are satisfied or waived by the Offeror; (ii) compensate for breach of obligations under the Farallon Tender Agreement; (iii) maintain confidentiality; and (iv) not assign its position under the Farallon Tender Agreement or its rights and obligations under the Farallon Tender Agreement.

(Note 4) Under the Farallon Tender Agreement, the Offeror has made representations and warranties to Farallon, on the date of conclusion of the Farallon Tender Agreement, the commencement date of the Tender Offer, and the commencement date of settlement of the Tender Offer, regarding (i) survival and authority; (ii) possession of the power and authority necessary for conclusion and performance of the Farallon Tender Agreement and implementation of necessary procedures; (iii) enforceability of the Farallon Tender Agreement; (iv) acquisition of permission, etc. for the conclusion and performance of the Farallon Tender Agreement by the Offeror; (v) absence of conflicts with laws and regulations due to conclusion and performance of the Farallon Tender Agreement; (vi) non-applicability of antisocial forces or economic sanctioned persons and absence of relationships with antisocial forces; (vii) the absence of bankruptcy proceedings; (viii) sufficiency of funds on the commencement date of the Tender Offer and the commencement date of settlement of the Tender Offer; and (ix) compliance with anti-corruption laws and anti-money laundering laws.

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

Not applicable

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

Not applicable

7. Questions to the Offeror

Not applicable

8. Request for Postponement of Tender Offer Period

Not applicable

9. Future Outlook

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

10. Matters Concerning Transactions with Controlling Shareholders

Not applicable

11. Other Matters

(1) The Company released the Second Quarter Financial Results on the date of this Press Release. For details, see the contents of

the Second Quarter Financial Results.

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

(3) Other Matters

- The purpose of this press release is to publicly announce the Tender Offer and it has not been prepared for the purpose of soliciting an offer to sell or purchase in the Tender Offer. When making an application to tender, please be sure to read the Tender Offer Explanatory Statement for the Tender Offer and make your own decision as a shareholder or Stock Acquisition Right Holder. This Press Release does not constitute, either in whole or in part, a solicitation of an offer to sell or purchase any securities, and the existence of this press release (or any part thereof) or its distribution shall not be construed as a basis for any agreement regarding the Tender Offer, nor shall it be relied upon in concluding an agreement regarding the Tender Offer.
- The common shares and Stock Acquisition Rights of the Company, a company incorporated in Japan, are subject to the Tender Offer. The Tender Offer will be conducted in compliance with the procedures and information disclosure standards set forth in Japanese law, and those procedures and standards are not always the same as the procedures and information disclosure standards in the U.S. In particular, neither sections 13(e) or 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; the same shall apply hereinafter) or the rules under these sections apply to the Tender Offer; and therefore the Tender Offer is not conducted in accordance with those procedures and standards. All of the financial information included in this press release is based on Japanese GAAP, which may differ significantly from GAAP in the U.S. and other countries. In addition, because the Offeror is a corporation incorporated outside the U.S. and some or all of its officers are non U.S. residents, it may be difficult to exercise rights or demands against them that can be asserted based on U.S. securities laws. It also may be impossible to initiate an action against a corporation that is based outside of the U.S. or its officers in a court outside of the U.S. on the grounds of a violation of U.S. securities-related laws. Furthermore, there is no guarantee that a corporation that is based outside of the U.S. or its affiliates may be compelled to submit themselves to the jurisdiction of a U.S. court.
- Unless otherwise specified, all procedures relating to the Tender Offer are to be conducted entirely in Japanese. All or a part of the documentation relating to the Tender Offer will be prepared in English; however, if there is any discrepancy between the English-language documents and the Japanese-language documents, the Japanese-language documents shall prevail.
- This press release includes statements that fall under “forward-looking statements” as defined in section 27A of the U.S. Securities Act of 1933 (as amended) and section 21E of the Securities Exchange Act of 1934. Due to known or unknown risks, uncertainties or other factors, actual results may differ materially from the predictions indicated by the statements that are implicitly or explicitly forward-looking statements. Neither the Company, the Offeror nor any of its affiliates guarantee that the predictions indicated by the statements that are implicitly or expressly forward-looking statements will materialize. The forward-looking statements in this press release were prepared based on information held by the Company and the Offeror as of today, and the Company, the Offeror and its affiliates shall not be obliged to amend or revise such statements to reflect future events or circumstances, except as required by laws and regulations.
- The Offeror, its financial advisors and the tender offer agent (and their respective affiliates) may purchase the common shares and Stock Acquisition Rights of the Company, by means other than the Tender Offer, or conduct an act aimed at such purchases, for their own account or for their client’s accounts, including in the scope of their ordinary business, to the extent permitted under financial instrument exchange-related laws and regulations, and any other applicable laws and regulations in Japan, in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934 during the Tender Offer Period. Such purchases may be conducted at the market price through market transactions or at a price determined by



negotiations off-market. In the event that information regarding such purchases is disclosed in Japan, such information will also be disclosed on the English website of the person conducting such purchases (or by any other method of public disclosure).

- If a shareholder exercises its right to demand the purchase of shares of less than one unit in accordance with the Companies Act, the Company may buy back its own shares during the Tender Offer Period in accordance with the procedures required by laws and regulations.

-End-

(Reference) Outline of the Tender Offer

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