Company Name BEENOS Inc.
President and Group CEO Shota Naoi
(TSE Prime Code: 3328)
Inquiries Director and Executive Officer Taisuke Miura
（Telephone：03-6824-9753）

Notice regarding Expression of Opinion in Support of the Planned Commencement of the Tender Offer for the Company Share Certificates by LY Corporation and Recommendation to Tender Shares

Tokyo, Japan – December 19th, 2024 – BEENOS Inc. has announced that at the meeting held today, its Board of Directors resolved to express its opinion as follows in support of the tender offer for the Company's common shares (the "Company Shares") and the Share Options of the Company (defined in "2. Tender Offer Price" below; hereinafter the same in descriptions concerning "Share Options") by LY Corporation (the "Tender Offeror" and that tender offer, the "Tender Offer") as a part of the series of transactions (the "Transactions") aimed at making the Company a wholly-owned subsidiary of the Tender Offeror, 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 Share Options (the "Share Options Holders") tender their Company Shares or Share Options in the Tender Offer.

According to the press release "Notice Concerning Scheduled Commencement of Tender Offer for the Shares of BEENOS Inc. (Securities Code: 3328)" issued today by the Tender Offeror, with regard to the Tender Offer, since it is expected that it will take a certain period of time to complete the procedures and responses pursuant to domestic and foreign competition laws and regulations (at present, it is believed that procedures and responses are required in Japan and Taiwan, but the judgment on whether or not such procedures and responses are required may change in the future based on further confirmation of the facts regarding the Company's business or assets and the views of the relevant authorities; the same applies below), the Tender Offeror decided to make this announcement today after taking into account the procedures for obtaining clearance under domestic and foreign competition laws and regulations and considering that it would be beneficial for the Company's shareholders for the Tender Offeror to announce the Transactions prior to the Company's 25th Annual General Shareholders Meeting scheduled to be held in December 2024. Accordingly, the Tender Offeror plans to commence the Tender Offer promptly once the conditions precedent (Note 1) (the "Conditions Precedent for the Tender Offer"), such as the completion of such required procedures and responses, are satisfied by the Company or waived by the Tender Offeror (for the avoidance of doubt, the Tender Offeror may waive any of the Conditions Precedent for the Tender Offer at its discretion) pursuant to the tender offer agreement (the "Tender Offer Agreement") entered into between the Company and the Tender Offeror as of today (Note 2). As of today, the Tender Offeror, based on discussions with domestic and foreign law firms regarding the required procedures, aims to commence the Tender Offer at the end of February 2025. However, it is difficult to accurately predict the period required for completing the procedures of the relevant authorities both in Japan and abroad, and the Tender Offeror will announce the details of the schedule for the Tender Offer as soon as such details are decided.

In addition, if there are any changes to the expected date for the commencement of the Tender Offer, such changes will be notified promptly .

For this reason, as described in "⑥ Approval by Disinterested Directors (Including Directors Serving as Audit and Supervisory Committee Members)" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" below, during the aforementioned Board of Directors meeting, the Company resolved to request that, when the Tender Offer is commenced, the Special Committee established by the Company (as defined in "(i) Establishment of Examination Framework" in "③ Process and Reasons for Decision-Making at the Company" in "(2) Grounds and Reasons for the Opinion" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer," hereinafter the same) consider whether any changes have occurred regarding the opinion expressed in the Special Committee Report (as defined in "(ii) Background of Examinations and Negotiations" in "③ Process and Reasons for Decision-Making at the Company" in "(2) Grounds and Reasons for the Opinion" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer," hereinafter the same) submitted by the Special Committee to the Company's Board of Directors on December 19, 2024, 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 further information on the composition of the Special Committee and the scope of its activities, please refer to "⑤ Establishment of an Independent Special Committee and Receipt of Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" below.

This resolution by the Board of Directors was made on the premise that the Tender Offeror intends to make the Company a wholly owned subsidiary through the Tender Offer and subsequent procedures, and that the Company's shares are expected to be delisted.

(Note 1) The "Conditions Precedent for the Tender Offer" are: ① the Company's board of directors passing a resolution to express an opinion in support for the Tender Offer and to recommend that the Company's shareholders and share option holders ("Share Option Holders") tender their shares and share options in the Tender Offer (the "Supporting Resolution"), which has been made public in accordance with laws and regulations, and such opinion has not been revoked or amended, and no resolutions with content that contradicts the Supporting Resolution have been passed; ② the Special Committee has unanimously recommended that the Company's board of directors pass the Supporting Resolution, and such recommendation has not been revoked or amended; ③ the representations and warranties (Note 3) made by the Company in the Tender Offer Agreement are true and correct in all material respects; ④ all of the obligations to be performed or complied with by the Company under the Tender Offer Agreement (Note 4) have been performed or complied with in all material respects; ⑤ the Tendering Agreements (as defined in "① Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer" below; the same applies hereinafter) have been lawfully and validly executed as of today, and continues to exist lawfully and validly without amendment, ⑥ the Company has not paid any dividends of surplus (excluding the dividend of 40 yen per share of surplus with the record date of September 30, 2024, which was resolved at the Company's board of directors meeting held on November 21, 2024) after the execution of the Tender Offer Agreement, and no shareholder proposals regarding agenda items at the shareholders meeting or demands for the convening of an extraordinary shareholders meeting have been made by the Company's shareholders (including all shareholder proposals at the 25th Annual General Shareholders Meeting to be held in December 2024 that have been lawfully and validly withdrawn or lawfully and validly rejected at such Annual General Shareholders Meeting), ⑦ undisclosed important facts, etc. concerning the Company (important facts concerning the business, etc. set forth in Article 166(2) of the Act (excluding those that have been disclosed in accordance with Paragraph (4) of the same Article) and facts concerning the implementation of a tender offer, etc. or facts concerning the suspension of a tender offer, etc. set forth in Article 167(2) of the Act (excluding the Tender Offer and those

that have been disclosed in accordance with Paragraph (4) of the same Article)) do not exist, and the Tender Offeror has been provided with a document certifying this from the Company; ⑧ no decisions have been made by judicial or administrative agencies restricting or prohibiting any of the Transactions, and there is no specific risk of such decisions being made; ⑨ there is a reasonable likelihood that the clearance under domestic and foreign competition laws and regulations will be obtained by the expiration of the tender offer period; ⑩ no events that constitute the grounds for revocation of the Tender Offer agreed upon in the Tender Offer Agreement have occurred; ⑪ from the execution date of the Tender Offer Agreement onward, there have been no material adverse effects or reasons or events that would have such an adverse effect on the business, assets, liabilities, financial condition, management condition or cash flow, or forecasts thereof, of the Company Group (the Company and its affiliated companies, hereinafter the same.), or on the execution of the Transactions, or a material change in domestic or overseas share market conditions or other market, financial or economic environments, and there is no risk of such an occurrence (provided that this excludes (i) changes in laws and regulations, applicable accounting rules, accounting principles or their interpretations, (ii) occurrence or spread of hostilities, wars, terrorist acts, natural disasters or man-made disasters, (iii) general changes in the domestic and overseas economic or financial markets, (iv) events caused by or related to changes in the overall situation in the industry to which the Company Group's business belongs that are not changes particularly related only to the Company Group's business, and (v) deterioration in the terms and conditions of transactions requested by counterparties occurring after the announcement of the Transactions, provided further that any of these exclusions in (i) through (v) above applies only to cases in which the Company Group's business does not have a disproportionate adverse effect compared to other businesses operating in the industry to which the business belongs); and ⑫ implementation of measures reasonably necessary to strengthen the Company's structure to comply with laws and regulations pertaining to personal information.

(Note 2) Pursuant to Article 10(2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended; the "Anti-Monopoly Act"), the Tender Offeror must submit a prior notification to the Fair Trade Commission of its plan for the acquisition of the Company Shares through the Tender Offer (the "Share Acquisition") (such notification is hereinafter referred to as the "Prior Notification"), and the Tender Offeror may not carry out the Share Acquisition until 30 days (which may be shortened) have passed since the date on which the Prior Notification is accepted pursuant to Article 10(8) of the Anti-Monopoly Act.

In addition, Article 10(1) of the Anti-Monopoly Act prohibits the acquisition of shares of other companies that substantially restricts competition in a certain field of trade, and the Fair Trade Commission can order the necessary measures to eliminate any violation of this provision (Article 17-2(1) of the Anti-Monopoly Act; the "Cease and Desist Order"). When the Fair Trade Commission issues a Cease and Desist Order, it must hear opinions from the person to whom the Cease and Desist Order is to be issued (Article 49 of the Anti-Monopoly Act), and when hearing opinions, it must notify the addressee of the details of the scheduled Cease and Desist Order (Article 50(1) of the Anti-Monopoly Act), but the prior notification of the Cease and Desist Order for a plan regarding the acquisition of shares that is subject to such prior notification must be given within a certain period (in principle, 30 days from the date of acceptance of the foregoing Prior Notification, but this may be extended or shortened) (Article 10(9) of the Anti-Monopoly Act). If the Fair Trade Commission decides not to give the prior notification of the Cease and Desist Order, it is required to give notice to that effect (Article 9 of the Rules on Applications for Authorization, Reports and Notifications, etc. Pursuant to Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Fair Trade Commission Rules No. 1 of 1953)). The Tender Offeror commenced preliminary discussions with the Fair Trade Commission regarding the Share Acquisition on December 18, 2024, and plans to submit a prior notification around mid-January 2025 after the completion of the preliminary discussions.

Furthermore, the Tender Offeror is required to make a prior notification to the Fair Trade Commission of Taiwan regarding the Share Acquisition pursuant to the Fair Trade Act of 2002 of Taiwan, as amended. If the Fair Trade

Commission of Taiwan decides to exercise its authority to review the Share Acquisition, the Tender Offeror may implement the Share Acquisition only after a waiting period (in principle, 30 business days from the official receipt of the prior notification, but this may be extended up to 60 business days) has expired as long as the Fair Trade Commission of Taiwan does not take measures such as prohibiting the Share Acquisition within the waiting period. If the Fair Trade Commission of Taiwan decides not to exercise its authority to review the Share Acquisition, the Tender Offeror may implement the Share Acquisition after the decision not to exercise the authority to review has been made.

The Tender Offeror expects to make the prior notification regarding the Share Acquisition to the Fair Trade Commission of Taiwan in early February 2025.

(Note 3) For details of the representations and warranties made by the Company under the Tender Offer Agreement, please refer to "4. Key Agreements Regarding Participation in the Tender Offer Between the Tender Offeror and the Company's Shareholders" below.

(Note 4) For details of the Company's obligations under the Tender Offer Agreement, please refer to "4. Key Agreements Regarding Participation in the Tender Offer Between the Tender Offeror and the Company's Shareholders" below.

1. Overview of the Tender Offeror

(1)	Name	LY Corporation
(2)	Location	1-3 Kioicho, Chiyoda-ku, Tokyo
(3)	Title and name of the representative	Takeshi Idezawa, President and Representative Director, CEO
(4)	Business	Development of online advertising business, E-commerce business, members services business, and other businesses, and managing of group companies and other operations
(5)	Capital	248,773 million yen (as of September 30, 2024)
(6)	Date of Incorporation	January 31, 1996
(7)	Major shareholders and shareholding ratio (as of September 30, 2024)	A Holdings Corporation 62.5% The Master Trust Bank of Japan, Ltd. (Trust account) 6.1% STATE STREET BANK AND TRUST COMPANY 505325 (Standing proxy: Settlement Sales Dept, Mizuho Bank, Ltd.) 3.3% Custody Bank of Japan, Ltd. (Trust account) 2.3% STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement Sales Dept, Mizuho Bank, Ltd.) 1.2% STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing proxy: Settlement Sales Dept, Mizuho Bank, Ltd.) 0.7% STATE STREET BANK AND TRUST COMPANY 505223 (Standing proxy: Settlement Sales Dept, Mizuho Bank, Ltd.) 0.6% JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement Sales Dept, Mizuho Bank, Ltd.) 0.6% JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement Sales Dept, Mizuho Bank, Ltd.) 0.5% J.P.Morgan Securities plc (Standing proxy: JPMorgan Securities Japan Co., Ltd.) 0.5%
(8)	Relationship between the Company and the Tender Offeror	
	Capital relationship	Not applicable.

	Personal relationship	Not applicable.
	Business relationship	There is a business relationship with the Tender Offeror through the provision of cross-border E-commerce intermediary services.
	Status as related parties	Not applicable.

(Note 1) Major shareholders and shareholding ratio (as of September 30, 2024) is quoted from "Status of Major Shareholders" in the 30th Semiannual Securities Report submitted by the Tender Offeror on November 8, 2024.

2. Tender Offer Price

(1) For Common Shares: JPY 4,000 per share (the "Tender Offer Price")

(2) For Share Options:

① 11th Share Options issued based on the resolution of the Company's Board of Directors on March 15, 2018 (exercise period: April 1, 2020 to March 14, 2028): JPY 226,300 per share option

② 12th Share Options issued based on the resolution of the Company's Board of Directors on February 6, 2020 (exercise period: February 25, 2020 to February 24, 2030): JPY 292,900 per share option

③ 13th Share Options issued based on the resolution of the Company's Board of Directors on February 6, 2020 (exercise period: February 7, 2022 to February 6, 2030): JPY 292,900 per share option

④ 14th Share Options issued based on the resolution of the Company's Board of Directors on May 27, 2021 (exercise period: May 28, 2023 to May 27, 2031): JPY 27,000 per share option

⑤ 15th Share Options issued based on the resolution of the Company's Board of Directors on August 4, 2022 (exercise period: August 5, 2024 to August 4, 2032): JPY 14,740 per share option

⑥ 16th Share Options issued based on the resolution of the Company's Board of Directors on June 20, 2024 (exercise period: July 8, 2024 to July 7, 2034): JPY 166,100 per share option

Hereinafter, the 11th to 16th Share Options shall be collectively referred to as the "Share Options."

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

(1) Details of the Opinion

At the Board of Directors meeting held today, the Company resolved, based on the grounds and reasons outlined in "(2) Grounds and Reasons for the Opinion" below, to express its support for the Tender Offer, as its current opinion, and to recommend that the Company's shareholders and Share Options Holders tender their Company Shares or Share Options in the Tender Offer.

As noted above, while the Tender Offeror aims to commence the Tender Offer by late February 2025, based on discussions with domestic and foreign law firms regarding the procedures, since it is difficult to accurately predict the period required for the procedures, etc. of the relevant authorities both in Japan and abroad, the Tender Offeror will announce the details of the schedule for the Tender Offer as soon as they are decided.

Therefore, as stated in "⑥ Approval by Disinterested Directors (Including Directors Serving as Audit and Supervisory Committee Members)" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer," the Board of Directors also resolved to request that, when the Tender Offer is commenced, the Special Committee consider whether any changes have occurred regarding the opinion submitted by the Special Committee to the Company's Board of Directors on December 19, 2024, 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.

It should be noted that this resolution by the Board of Directors was made in accordance with the procedures outlined in "⑥ Approval by Disinterested Directors (Including Directors Serving as Audit and Supervisory Committee Members)" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of

Interest, and Other Measures to Ensure the Fairness of the Tender Offer" below.

(2) Grounds and Reasons for the Opinion

The statements regarding the Tender Offeror in this section "(2) Grounds and Reasons for the Opinion" are based on explanations received from the Tender Offeror.

① Overview of the Tender Offer

The Tender Offeror is a *kabushiki kaisha* whose main business is the development of internet advertising, e-commerce and membership services (Note 1), as well as the management of group companies, and is a subsidiary of A Holdings Corporation (Note 2), of which A Holdings Corporation holds 62.49% of the voting rights as of the end of September 2024, and its shares are listed on the Tokyo Stock Exchange Prime Market. As of today, the Tender Offeror and A Holdings Corporation do not hold any Company Shares.

The Tender Offeror has decided to implement the Tender Offer for all of the Company Shares (including the Company's restricted shares granted to the Company's directors, employees, and directors and employees of its subsidiaries as restricted share units (the "Restricted Shares") and the Company Shares to be issued upon exercise of the Share Options, but excluding treasury shares held by the Company; hereinafter the same) and Share Options, as part of the Transactions, if the Conditions Precedent for the Tender Offer are satisfied or waived by the Tender Offeror.

(Note 1) "Internet advertising" : The Tender Offeror provides various media services such as "Yahoo! JAPAN News," "LINE NEWS" and "Yahoo! JAPAN Search" and generates revenue by displaying advertisements from companies and other entities. The Tender Offeror Group mainly provides LINE advertising services and Yahoo! JAPAN advertising services to advertisers, with the LINE advertising services consisting of display ads, account ads, and other ads, and the Yahoo! JAPAN advertising services consisting of search ads, display ads, and other ads.

"E-commerce" : The Tender Offeror provides various services centered on e-commerce and operates "Yahoo! JAPAN Shopping," "LINE GIFT," and others.

"membership services" : The Tender Offeror operates "LYP Premium," which is a monthly subscription service that allows users to use the communication app "LINE" and other services such as "Yahoo! JAPAN Shopping" and "PayPay" in a convenient and cost-effective way.

(Note 2) SoftBank Group Corp., SoftBank Group Japan Corporation and SoftBank Corp. are parent companies that indirectly hold the voting rights of the Tender Offeror through A Holdings Corporation, the parent company of the Tender Offeror. SoftBank Corp. is the parent company of A Holdings Corporation (ownership ratio of the voting rights of shares of A Holdings Corporation as of September 30, 2024: 50.00%), SoftBank Group Japan Corporation is the parent company of SoftBank Corp. (ownership ratio of the voting rights of shares of SoftBank Corp. as of September 30, 2024: 40.44%), and SoftBank Group Corp. is the parent company of SoftBank Group Japan Corporation (ownership ratio of the voting rights of shares of SoftBank Group Japan Corporation as of September 30, 2024: 100%).

In implementing the Tender Offer, the Tender Offeror has entered into (1) an agreement as of today with VARECS Partners Limited ("VARECS"), the Company's largest shareholder (Note 3), pursuant to which VARECS will tender all of the Company Shares held in the discretionary investment account operated by VARECS (number of shares held: 1,280,300 shares, ownership ratio (Note 4): 9.52%) in the Tender Offer (the "VARECS Tendering Agreement"); (2) an agreement with The MIRI Strategic Emerging Markets Fund LP ("MIRI"), the Company's second largest shareholder (Note 5), pursuant to which MIRI will tender all of the Company Shares it owns (number of shares held: 1,280,000 shares, ownership ratio: 9.51%) in the Tender Offer (the "MIRI Tendering Agreement"); and (3) an agreement with Asset Value Investors Limited ("AVI"; VARECS, MIRI and AVI are hereinafter collectively referred to as the "Tendering Shareholders;" the number of shares held by the Tendering Shareholders is 3,751,416 shares and the ownership ratio of the Tendering Shareholders is 27.89%), the Company's third largest shareholder (Note

6), pursuant to which AVI will tender all of the Company Shares held by AVI Japan Opportunity Trust Plc and AVI Japanese Special Situations Fund, each operated by AVI, (number of shares held: 1,191,116 shares, ownership ratio: 8.85%) in the Tender Offer (the "AVI Tendering Agreement"; the VARECS Tendering Agreement, the MIRI Tendering Agreement and the AVI Tendering Agreement are hereinafter collectively referred to as the "Tendering Agreements"). For details of the Tendering Agreements, please refer to "4 Key Agreements Regarding Participation in the Tender Offer Between the Tender Offeror and the Company's Shareholders" below.

(Note 3) According to "(5) Status of Major Shareholders" in "1. Status of Shares, etc." in "Part I. Corporate Information" in the Company's Second Quarter Report for the 25th Fiscal Period filed on May 14, 2024 (the "Company's Second Quarter Report"), while VARECS filed a substantial shareholding report (including any amendment to such report) with respect to the Company Shares, the Company has stated that it is unable to confirm the number of the Company Shares actually held by VARECS as of March 31, 2024. Accordingly, the number of the Company Shares and ownership ratio held by VARECS disclosed herein represent the same as of today as reported by VARECS. The shareholder ranking in this announcement is presented in order of descending ownership ratio, with reference to the ownership ratio of the Company held by the Tendering Shareholders as of today as reported by the Tendering Shareholders.

(Note 4) "Ownership ratio" means the ratio (rounded to two decimal places) to the number of shares (13,452,923 shares), which is the sum of the total number of issued shares (13,603,995 shares) as of September 30, 2024, as stated in the Company's Consolidated Financial Results for Fiscal Year Ended September 2024 (Prepared in Conformity with Generally Accepted Accounting Principles in Japan) (the "Company's Financial Results") submitted by the Company on November 7, 2024, plus the number of the Company Shares (30,500 shares) underlying the Series 11 Share Options (305 share options), the number of the Company Shares (243,800 shares) underlying the Series 12 Share Options (2,438 share options), the number of Company Shares (138,700 shares) underlying the Series 13 Share Options (1,387 share options), the number of Company Shares (26,700 shares) underlying the Series 14 Share Options (267 share options), the number of Company Shares (24,090) shares underlying the Series 15 Share Options (24,090 share options), and the number of Company Shares (136,000) shares underlying the Series 16 Share Options (136,000 share options) (total of 14,203,785 shares) which have been reported by the Company to be outstanding as of September 30, 2024, less the number of treasury shares held by the Company as of September 30, 2024 (750,862 shares) (the "Total Number of Shares after Taking the Company's Potential Shares into Account"). Hereinafter the same shall apply in calculating the ownership ratio.

(Note 5) On August 6, 2024, MIRI Capital Management LLC, which has been entrusted with the management operations by MIRI, filed a substantial shareholding report (including amendment reports to the same report filed on August 8, 13 and 15 of the same month) with respect the Company Shares. However, as the Company has not announced the number of the Company Shares effectively owned by MIRI, the number of the Company Shares and the ownership ratio held by MIRI disclosed herein represent the same as of today as reported by MIRI.

(Note 6) According to "(5) Status of Major Shareholders" in "1. Status of Shares, etc." in "Part I. Corporate Information" in the Company's Second Quarter Report, while AVI filed a substantial shareholding report (including any amendment to such report) with respect to the Company Shares, the Company has stated that it is unable to confirm the number of the Company Shares actually held by AVI as of March 31, 2024. The number of the Company Shares and the ownership ratio held by AVI disclosed herein represent the same as of today as reported by AVI.

As of today, the Tender Offeror is not aware of any impediments to the satisfaction of the Conditions Precedent for the Tender Offer. In addition, based on legal advice from domestic and overseas local law firms, the Tender Offeror will take the necessary procedures and actions under domestic and overseas competition laws and regulations

to satisfy the Conditions Precedent for the Tender Offer. Based on the opinion of domestic and overseas local law firms, the Tender Offeror aims to complete such procedures and actions around the end of February 2025. However, since it is difficult to accurately predict the period required for the procedures, etc. required by the relevant authorities in Japan and abroad, the Tender Offeror will provide details of the schedule for the Tender Offer as soon as they are determined.

In the Tender Offer, the Tender Offeror has set 8,882,500 shares (ownership ratio: 66.03%) as the minimum number of shares to be purchased (Note 7). If the total number of share certificates, etc. offered in response to the Tender Offer (the "Tendered Share Certificates, etc.") does not reach the minimum number of shares to be purchased, the Tender Offeror will not purchase any of the Tendered Share Certificates, etc. In other words, if the total number of Tendered Share Certificates, etc. does not reach the minimum number (8,882,500 shares, ownership ratio: 66.03%), the Tender Offer will not be completed and the Transaction will not be carried out.

(Note 7) The minimum number of shares to be purchased is a provisional figure based on information available as of today, and the actual minimum number of shares to be purchased in the Tender Offer may differ from the figure stated above due to changes in the number of treasury shares held by the Company after today, or other reasons. The final minimum number of shares to be purchased will be determined prior to the commencement of the Tender Offer, taking into account the latest information available at the time of the commencement of the Tender Offer.

Meanwhile, as mentioned above, because the purpose of the Tender Offer is to make the Company a wholly-owned subsidiary of the Tender Offeror by acquiring all of the Company Shares (including the Restricted Shares and the Company Shares to be delivered upon exercise of the Share Options, but excluding the treasury shares held by the Company) and the Share Options, there is no upper limit to the number of shares to be purchased, and if shares are tended in excess of the minimum number of shares to be purchased (8,882,500 shares, ownership ratio: 66.03%), the Tender Offeror will purchase all of the Tendered Share Certificates, etc.

The minimum number of shares to be purchased (8,882,500 shares) has been calculated by multiplying the number of voting rights (134,529 voting rights) associated with the Total Number of Shares after Taking the Company's Potential Shares into Account (13,452,923 shares) as of September 30, 2024 by two-thirds (89,686 voting rights, rounded up to the nearest whole number), *less* the number of voting rights (861 voting rights) associated with the number of Restricted Shares held by the Company's directors (total of 86,150 shares, ownership ratio: 0.64%) (Note 8), multiplied by the share unit number of the Company (100 shares) (8,882,500 shares). The Tender Offeror has set such a minimum number of shares to be purchased because, if the Tender Offeror is unable to acquire all of the Company Shares (including the Restricted Shares and the Company Shares to be delivered upon exercise of the Share Options, but excluding the treasury shares held by the Company) and all of the Share Options in the Tender Offer, after the completion of the Tender Offer, the Tender Offeror plans to, as described in "(5) Policies Regarding Organizational Restructuring Following the Tender Offer (Matters Related to a So-Called Two-Step Acquisition)" below, request the Company to take a series of procedures (the "Squeeze-out Procedures") to make the Tender Offeror the sole shareholder of the Company and to take the Company Shares private, and because the consolidation of shares implemented as part of the Squeeze-out Procedures requires a special resolution at the shareholders meeting prescribed in Article 309(2) of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act"), the Tender Offeror's request is intended to ensure that the Tender Offeror will hold more than two-thirds of the voting rights of all shareholders of the Company after the Tender Offer in order to ensure the implementation of the Squeeze-out Procedures.

(Note 8) While the Restricted Shares cannot be tendered in the Tender Offer due to the transfer restrictions imposed on them, at the Company's board of directors meeting held on December 19, 2024, a resolution was passed to express an opinion in favor of the Tender Offer, which is premised on delisting, and at the time of the resolution, all directors to whom the Restricted Shares were allocated exercised their voting rights in favor of the resolution. As such, because it is expected that they will support the Squeeze-out Procedures if the

Tender Offer is successfully completed, in considering the minimum number of shares to be purchased, the number of voting rights related to the Restricted Shares has been deducted.

In addition, the Tender Offeror plans to cover the costs of the Transactions, including the Tender Offer, from its own funds.

② Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer, and Post-Tender Offer Management Policies

The Company has received the following explanations from the Tender Offeror regarding the background, purpose, and decision-making process that led to its decision to conduct this Tender Offer, as well as its management policies after the Tender Offer.

(i) Background and Purpose Leading to the Tender Offeror's Decision to Conduct the Tender Offer

The Tender Offeror established a Japanese corporation, "Yahoo Japan Corporation" ("Yahoo Japan"), through a joint venture between Yahoo Corporation of the United States and SoftBank Corp. and launched the commercial search site, "Yahoo! JAPAN", in January 1996, and commenced commerce services, including "Yahoo! JAPAN Shopping" and "Yahoo! JAPAN Auction", in September 1999. In addition, the Tender Offeror established PayPay Corporation through a joint investment with SoftBank Corp. in June 2018 and began providing electronic payment services such as mobile payments. Furthermore, in October 2019, in order to further expand its business domain and maximize its corporate value in the rapidly changing internet industry, the Tender Offeror transitioned to a holding company structure and changed its trade name to Z Holdings Corporation ("Z Holdings") in order to make flexible and agile decisions and optimally allocate management resources to enable more agile promotion of business strategies, and because the financial business requires stronger governance and business and financial measures that differ from those for internet services. In the following fiscal year, in March 2021, with the vision of becoming a platform that supports all aspects of life 24 hours a day, 365 days a year, the Tender Offeror conducted a business integration with LINE Corporation ("LINE"), which owns the communication app "LINE" that brings people closer together, and then, in October

2023, with the aim of accelerating the creation of group synergies, the Tender Offeror changed its trade name from Z Holdings to LY Corporation after reorganizing its subsidiaries: LINE, Yahoo Japan, Z Entertainment Corporation, and Z Data Corporation, and introduced an in-house company system of business operations to develop products and create synergies that transcend the boundaries of companies and services. In addition, after the Tender Offeror registered its shares over the counter with the Japan Securities Dealers Association in November 1997 and listed its shares on the First Section of the Tokyo Stock Exchange in October 2003, due to a review of market classifications by the Tokyo Stock Exchange in April 2022, the Tender Offeror is currently listed on the Tokyo Stock Exchange Prime Market.

As of the end of November 2024, the Tender Offeror consists of a total of 147 companies, including 109 subsidiaries and 38 affiliates (the "Tender Offeror Group"). The businesses operated by the Tender Offeror Group are broadly divided into the "Media Business," "Strategic Business," and "Commerce Business." The "Media Business" provides various media services such as "Yahoo! JAPAN News," "LINE NEWS," and "Yahoo! JAPAN Search" and generates revenue by displaying advertisements from companies and other entities. The Tender Offeror Group mainly provides LINE advertising services and Yahoo! JAPAN advertising services to advertisers, with the LINE advertising services consisting of display ads, account ads, and other ads, and the Yahoo! JAPAN advertising services consisting of search ads, display ads, and other ads. The "Strategic Business" is expanding various financial services, such as credit cards, banking, securities, and insurance, centered around the cashless payment service "PayPay." The "Commerce Business" provides various services centered on e-commerce and operates "Yahoo! JAPAN Shopping," "LINE GIFT," and others.

The Tender Offeror is also running a reuse business with a transaction value of 1 trillion yen in its "Commerce

Business," and in November 2023, it unified the "YAHUOKU!" and "PayPay Flea Market" services under the "Yahoo! JAPAN" brand. In order to make both services more accessible to users, the design of the services has been revamped and unified under the Yahoo! JAPAN brand, further strengthening collaboration within the group. The Tender Offeror aims to further grow by utilizing group assets, such as promoting cross-use by members of "LYP Premium," which is a membership program that provides benefits related to messaging, e-commerce, and payment services, and promoting user traffic starting from the communication app through the establishment of a shopping tab in the revamping of "LINE". In particular, with regard to the reuse area, the Tender Offeror expects the user population to continue to expand further due to factors such as the reevaluation of reused products resulting from increased environmental awareness and the fading resistance to purchasing reused products, especially among young people. In particular, the Tender Offeror believes that the cross-border e-commerce market is a promising growth market with the potential to continue to expand significantly.

On the other hand, the Company was established in November 1999, listed on the Mothers Section of the Tokyo Stock Exchange in July 2004, and transitioned to the First Section of the Tokyo Stock Exchange in October 2016. Following the revision of the Tokyo Stock Exchange's market segments, the Company' shares were moved to the Tokyo Stock Exchange Prime Market in April 2022.

As of today, the Company Group consists of the Company, 18 subsidiaries, and three affiliated companies. The group primarily engages in the E-commerce Business and the incubation business. Additionally, the E-commerce Business is further segmented into the Global Commerce and Entertainment categories.

The main initiatives in each business are as follows:

(A) E-commerce Business

Global Commerce

The Company's subsidiary, tenso, inc., operates the "Proxy Purchasing Business," which includes services such as "tenso.com," a proxy shipping service enabling overseas residents to purchase and ship Japanese products internationally, and "Buyee," a proxy purchasing service.

Another subsidiary, Shop Airlines, Ltd., manages the "Global Shopping Business," operating "Sekaimon," a service that allows users in Japan to purchase goods from around the globe in collaboration with the marketplace, eBay.

Additionally, the "Cross-Platform Business," which facilitates reciprocal buying and selling across domestic and international platforms, was transferred from the Other Business segment to the Global Commerce segment at the beginning in the fiscal year ending September 2024.

Entertainment

The Company's subsidiary, BEENOS Entertainment Inc., operates Groobee, an E-commerce platform specifically designed for the entertainment industry, and manages official merchandise sales websites for Japanese artist groups. Additionally, our subsidiary BeeCruise Inc. conducts a licensing business centered on the manufacturing and sale of character merchandise.

(B) Incubation Business

The Company engages in investment and development activities targeting startup companies in internet-related businesses abroad, mainly in emerging markets like India and Southeast Asia, etc., and inbound consumption-related markets within Japan.

(C) Other Businesses

The Company actively promotes the creation and development of businesses that have the potential to become future pillars of its operations, as the Company's subsidiary, BEENOS HR Link Inc., operates the

SaaS-type cross-border HR platform (Note 1) “Linkus” and supports the employment of foreign nationals through technology.

(Note 1) The “SaaS-type cross-border HR platform” is the SaaS to enable hiring and management of foreign personnel and documentation.

The Company Group upholds the purpose of “Creating the Next Standard to Expand the World’s Possibilities through Ambition and Technology.” By leveraging the power of technology and the expertise cultivated in global commerce, we strive to be on the “global platform frontier” that connects people, goods, and information with the global commerce market, consistently introducing new norms and possibilities.

Additionally, in response to rapid shifts in market trends and global instability, we emphasize profit growth over mere scale expansion. Our specific goal is to achieve JPY 5 billion in consolidated operating profit through the expansion of business not only through existing businesses but also through new businesses and M&A, excluding profits from our investment businesses.

To achieve this, the Company Group has identified the following priority issues:

(a) Advancing the Collaboration with Global Commerce Business Partners in Japan

Global Commerce Business of the Company Group has achieved steady growth by collaborating with major domestic platforms and over 6,000 E-commerce sites while continually acquiring international customers seeking Japanese products. However, opportunities for expanding partnerships within Japan are becoming increasingly limited. To address this, we aim to resolve the unique complexities of cross-border E-commerce through collaborations with major platforms, enabling us to further advance our Global Commerce Business and expand our customer base.

(b) Responding to Overseas Needs in the Entertainment Business

Entertainment-related products have become a core category within our Global Commerce Business, reflecting the robust international demand for Japanese content. However, the Company Group has yet to fully harness this demand because of the differences between the language of Japan and other countries. By promoting overseas sales within our Entertainment Business, we aim to drive growth in this segment while enhancing its synergy with our Global Commerce Business by advancing multilingual support.

(c) Expansion of Revenue Opportunities by Building New Businesses

The internet industry, where the Company Group operates, is marked by rapid change, necessitating the continuous evolution of business structures. To ensure long-term profitability as a corporate group, the creation and acquisition of new businesses are essential. By leveraging the assets of our existing businesses—such as our customer base, operational excellence (Note 2), and data—we aim to accelerate the development of new businesses in synergistic domains. To this end, we plan to actively pursue new business initiatives within the group, as well as business alliances and mergers and acquisitions (M&A), to enhance corporate value.

(Note 2) “Operational excellence” refers to unique know-how in customer service and logistics operations related to E-commerce.

(d) Talent Development

With the expansion of our business, the Company Group has been actively hiring, resulting in a significant increase in employee numbers in recent years. Excluding the Value Cycle segment, which was divested, the number of employees grew from 194 at the end of the fiscal year ending September 2021 to 265 as of September 2024. However, we recognize the need for more systematic frameworks for post-hire career development and

skill enhancement through training. Moving forward, we view the building of skills development measures like the establishment of structured programs as urgent to cultivate business leaders, including managers and other leadership roles, from within our existing workforce, in alignment with our business growth.

Under the circumstances described above, the Tender Offeror believes that there is room for greater service value and corporate value improvement beyond the framework of the existing business collaboration with the Company, and in order to more strongly promote its policy of focusing on the cross-border e-commerce business, in mid-September 2024, the Tender Offeror began concrete consideration of deepening its relationship with the Company, including the building of a capital relationship. In 2012, the Company's subsidiary, Tenso, Inc., launched "Buyee," a service that purchases products on behalf of customers as a cross-border intermediary business (Note 3), and in the same year, it began handling the Tender Offeror's commerce-related products and intermediary business for overseas purchasers.

As the Tender Offeror expands its business, it will gradually implement API integration (Note 4) to improve system efficiency, and both the Tender Offeror and the Company will aim to maximize transaction amounts by implementing joint sales promotion from 2023. Having concluded that deepening its relationship with the Company, which has been an important business partner and has a mutual understanding of systems and products, would lead to the strengthening of the cross-border e-commerce business, the Tender Offeror approached the Company on September 26, 2024 to hold a meeting in order to explore the possibility of deepening its relationship with the Company, including building a capital relationship, and on October 10, 2024, the Tender Offeror once again approached the Company about the possibility of acquiring the Company Shares. In response, the Company informed the Tender Offeror that it was already in discussions with another company for making the Company a wholly-owned subsidiary, and requested the Tender Offeror to submit a letter of the intent so that the Tender Offeror could join in the discussions. The Tender Offeror then conducted a review and analysis based on the Company's publicly available information, such as its securities reports and presentation materials of its financial results, and on October 16, 2024, submitted a letter of the intent to the Company, based on the premise that the Company would become a wholly-owned subsidiary of the Tender Offeror. Thereafter, on October 16, 2024, the Tender Offeror was notified by the Company that it had selected the Tender Offeror as a potential purchaser and would cooperate with due diligence to a reasonable extent. In addition, on October 24, 2024, the Tender Offeror received a request from the Company to submit a letter of the intent setting out the maximum tender offer price at the time and other tender conditions, and once again submitted a non-binding letter of intent on November 11, 2024. Thereafter, the Tender Offeror received a request to raise the tender offer price and, on November 12, 2024, the Tender Offeror received a request from the Company to submit a legally binding letter of intent by December 2, 2024.

(Note 3) A "cross-border intermediary business" is a business that builds an e-commerce site for intermediaries to purchase products on behalf of overseas users so that they can purchase products sold on domestic e-commerce sites, and also handles the shipping procedures for the products purchased on behalf of overseas users from Japan to overseas.

(Note 4) "API (Application Programming Interface) integration" is sharing of data pursuant to API, a set of rules and procedures for different software and applications to communicate with each other and exchange information. Currently, the Tender Offeror provides the Company's subsidiary, Tenso, Inc. with various information regarding to "Yahoo! JAPAN Auction" via the following APIs:
API to obtain product information and category information, API to obtain and delete My Auction information related to bids and successful bids, API to obtain bid information for products, API to make bids on products, and API to obtain information about ratings.

From late October 2024 to late November of the same year, the Tender Offeror conducted due diligence on the Company, and in parallel with performing the due diligence, further analyzed and considered specific

measures to create business synergies between the Tender Offeror Group and the Company Group, as well as the management policy after the Company becomes a wholly-owned subsidiary of the Tender Offeror. As a result of such analysis and consideration, the Tender Offeror has come to the conclusion that by making the Company a wholly-owned subsidiary of the Tender Offeror through the Transactions, business synergies, primarily in the cross-border e-commerce business, can be expected, which will lead to increased corporate value for the Tender Offeror Group and the Company Group. The specific synergies currently anticipated by the Tender Offeror from the Transactions are as follows. The two companies have worked together as important business partners, and have a mutual understanding of systems and products, so the Tender Offeror believes that the following initiatives that will drive the future cross-border e-commerce market will be possible.

(a) Increase in products for overseas markets

By implementing measures to encourage domestic corporate and individual sellers to list products that are in high demand overseas, the Tender Offeror believes that it can increase distribution on "Buyee", operated by Tenso, Inc., a subsidiary of the Company.

When products are sold via the Tender Offeror's services, the Tender Offeror receives a sales commission from the sellers and records this as sales. When considering preferential measures with respect to sales commissions, the Tender Offeror calculates the cost of such preferential measures based solely on this sales revenue. On the other hand, the Company receives agency fees from overseas users when overseas users purchase products in Japan and records this as sales.

If the Tender Offeror makes the Company its subsidiary, the Tender Offeror believes that it will be able to consider the scope for preferential treatment of sales commissions based on the consolidated sales of both companies, and as a result, it will be able to consider preferential measures that include the Company's sales, rather than considering preferential measures based solely on the Tender Offeror's sales. The Tender Offeror believes that it will be able to consider and focus on implementing preferential measures for sales commissions for products in high demand overseas and enjoy an increase in the number of listings for products in high demand overseas as a result. The Company also believes that an increase in the number of listings of products in high demand overseas will lead to an increase in usage by overseas users and an increase in agency fees.

In addition, if the Company becomes a wholly-owned subsidiary of the Tender Offeror, the concern over potential conflicts of interest between the Tender Offeror and the Company's minority shareholders will be removed, and the Company's profits will be recorded as net income attributable to parent company's shareholders in the Tender Offeror's consolidated profit and loss statement. As such, the Tender Offeror believes that by investing more of the Tender Offeror's human and material resources beyond simply making the Company its subsidiary, it will enable the Tender Offeror to consider more in-depth sales incentives, such as substantially more preferential treatment of seller's sales commissions, and to promptly make decisions regarding such incentives.

In addition, in order to implement the above measures, it is necessary to quickly detect and analyze the trends of overseas buyers quickly and increase the number of products with high demand from overseas. To this end, by making the Company a wholly-owned subsidiary, the Tender Offeror believes that it can quickly establish an environment for the utilization of data between the Tender Offeror and the Company without having to worry about potential conflicts of interest between the Tender Offeror and the Company's minority shareholders.

(b) Marketing development leveraging data and know-how of both companies

In order to expand the sales channels for products listed in Japan to overseas markets, it is necessary to increase the number of products with high demand from overseas and to expand the customer base overseas as describe in (a) above.

In acquiring new customers, if the Tender Offeror and the Company each acquires new customers independently, there will be some overlap in the potential users targeted by new customer acquisition activities

of each company. If the Company becomes a subsidiary of the Tender Offeror, it will be possible to consolidate the overlapping new customer acquisition activities between the Tender Offeror and the Company, and the Tender Offeror believes that this will reduce the costs of acquiring new customers. The Company then can use the reduced costs to implement additional measures that will lead to an increase in the number of customers, such as increasing the discount on the agency fee for the first-time purchase by customers and offering discounts on shipping costs, and the Tender Offerors believes that this will lead to an increase in the number of overseas customers.

In addition, if the Company becomes a wholly-owned subsidiary of the Tender Offeror, the concern over potential conflicts of interest between the Tender Offeror and the Company's minority shareholders will be removed, and the Company's profits will be recorded as net income attributable to parent company's shareholders in the Tender Offeror's consolidated profit and loss statement. As such, the Tender Offeror believes that by investing more of the Tender Offeror's human and material resources beyond simply making the Company its subsidiary, it will enable the Tender Offeror to consider more in-depth new customer acquisition incentives and to acquire more new overseas customers.

From the perspective of swiftly maximizing the realization of the synergy effects of (a) and (b) above, the Tender Offeror has come to the conclusion that making the Company its wholly-owned subsidiary is reasonable, since making the Company a wholly-owned subsidiary is premised on the efficient use of management resources based on decision-making between the Tender Offeror and the Company. In addition, comparing making the Company a wholly-owned subsidiary with making a partial investment in the Company, the Tender Offeror believes that making the Company a wholly-owned subsidiary will contribute to preventing the Tender Offeror's capital relationship from becoming more complicated, the Tender Offeror's capital efficiency from worsening, and the effectiveness of corporate governance from deteriorating due to the listing of a parent company and its subsidiary.

In addition, with regard to the possibility of dis-synergies between the Tender Offeror Group and the Company Group anticipated in the Transactions, there is a risk that competitors of the Tender Offeror's services will dissolve their relationships with "Buyee" as a result of the Transactions, and the Tender Offeror has considered such risk in discussions with the Company. The Tender Offeror has determined that the Company intends to continue its business after the Transactions with a policy of treating the Tender Offeror and competitors fairly, and that such risk will be absorbed through the future growth of the Company's cross-border e-commerce business.

Based on the above-mentioned specific measures to create business synergies between the Tender Offeror Group and the Company Group, and the results of the Tender Offeror's analysis and consideration of the management policy, etc. after the Company becomes a wholly-owned subsidiary of the Tender Offeror, on December 2, 2024, the Tender Offeror presented a legally binding letter of intent to the Target Offeror, setting the tender offer price for the Company's common shares at 4,000 yen (representing a premium of 10.96% (rounded to the nearest hundredth; hereinafter the same in calculating the premium rate) on the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on November 29, 2024, which is the business day immediately preceding December 2, 2024 when the proposal was made, a premium of 27.31% on the simple average closing price of 3,142 yen (rounded to the first decimal place; hereinafter the same for all simple average closing prices) for the one-month period up to the same date, a premium of 39.13% on the simple average closing price of 2,875 yen for the three-month period up to the same date, and a premium of 51.80% on the simple average closing price of 2,635 yen for the six-month period up to the same date), and setting the Share Option Purchase Price to 226,300 yen per share option of the Series 11 Share Options (amount obtained by multiplying the difference (2,263 yen) between 4,000 yen as the proposed tender offer price and 1,737 yen as the exercise price of the Series 11 Share Options per share of the Company Shares by the number of Company Shares (100 shares) underlying one share option of the Series 11 Share Options), 292,900 yen per share option of the Series 12 Share Options (amount obtained by multiplying the difference (2,929 yen)

between 4,000 yen as the proposed tender offer price and 1,071 yen as the exercise price of the Series 12 Share Options per share of the Company Shares by the number of Company Shares (100 shares) underlying one share option of the Series 12 Share Options), 292,900 yen per share option of the Series 13 Share Options (amount obtained by multiplying the difference (2,929 yen) between 4,000 yen as the proposed tender offer price and 1,071 yen as the exercise price of the Series 13 Share Options per share of the Company Shares by the number of Company Shares (100 shares) underlying one share option of the Series 13 Share Options), 27,000 yen per share option of the Series 14 Share Options (amount obtained by multiplying the difference (270 yen) between 4,000 yen as the proposed tender offer price and 3,730 yen as the exercise price of the Series 14 Share Options per share of the Company Shares by the number of Company Shares (100 shares) underlying one share option of the Series 14 Share Options), 14,740 yen per share option of the Series 15 Share Options (amount obtained by multiplying the difference (1,474 yen) between 4,000 yen as the proposed tender offer price and 2,526 yen as the exercise price of the Series 15 Share Options per share of the Company Shares by the number of Company Shares (100 shares) underlying one share option of the Series 15 Share Options), and 166,100 yen per share option of the Series 16 Share Options (amount obtained by multiplying the difference (1,661 yen) between 4,000 yen as the proposed tender offer price and 2,339 yen as the exercise price of the Series 16 Share Options per share of the Company Shares by the number of Company Shares (100 shares) underlying one share option of the Series 16 Share Options). As a result, on December 2, 2024, the Company notified the Tender Offeror that it had selected the Tender Offeror as its final candidate for the Tender Offer because the Tender Offeror proposed the highest tender offer price, and that it had accepted the offer to proceed with negotiations and discussions with the Tendering Shareholders at the same price after careful consideration and confirmation by the Special Committee that the tender offer price of 4,000 yen was appropriate.

Furthermore, in parallel with the discussions with the Company, the Tender Offeror also held discussions with the Tendering Shareholders regarding tendering agreements. Specifically, the Tender Offeror entered into a non-disclosure agreement with each Tendering Shareholder in early December 2024 and began negotiations toward entering into a tendering agreement. On December 5, 2024, December 6, 2024 and December 10, 2024, the Tender Offeror provided AVI, VARECS and MIRI, respectively, with an explanation of the outline of the Transactions and the expected Tender Offer Price of 4,000 yen, and asked them whether they would consider tendering their shares in the Tender Offer if the Transactions were to be carried out. The Tender Offeror then began full-scale negotiations for the Tendering Agreements from December 5, 2024, December 6, 2024 and December 10, 2024 with AVI, VARECS and MIRI, respectively. The Tender Offeror reached with an agreement on the terms of the Tendering Agreements, including the Tender Offer Price of 4,000 yen, with MIRI on December 16, 2024 and VARECS and AVI on December 17, 2024. Accordingly, the Tender Offeror entered the Tendering Agreements with VARECS, MIRI and AVI as of today.

Subsequently on the same day, the Tender Offeror informed the Company that the Tender Offeror and the Tendering Shareholders have entered into the Tendering Agreements with the Tender Offer Price of 4,000 yen. Given that the Tender Offer Price of 4,000 yen was the highest price offered by the candidates, the Company reached an agreement with the Tender Offeror to set the Tender Offer Price at 4,000 yen.

(ii) Post-Tender Offer Management Policies

As described in "(i) Background and Purpose Leading to the Tender Offeror's Decision to Conduct the Tender Offer" above, the Tender Offeror intends to further grow its cross-border e-commerce business by making the Company a wholly-owned subsidiary of the Tender Offeror through the Transactions.

With regard to the management structure of the Company after the Transactions, after the successful completion of the Tender Offer, the Tender Offeror and the Company plan to hold discussions and decide on this matter from the perspective of further enhancing the corporate value of both companies, while respecting the Company's current management structure. At present, no specific decisions or agreements have been made, and no

negotiations have been held with the Company regarding the management structure of the Company.

At present, the Tender Offeror is considering dispatching directors and seconding employees in order to realize synergies early on, but the specific number of directors and employees to be dispatched or seconded has not been determined.

③ Process and Reasons for Decision-Making at the Company

(i) Establishment of the Examination Framework

As noted in "(i) Background and Purpose Leading to the Tender Offeror's Decision to Conduct the Tender Offer" in "② Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer, and Post-Tender Offer Management Policies" above, the Company received an initial proposal on August 23, 2024, from a third party other than the Tender Offeror (the "Preceding Proposal Party"). This proposal pertained to a transaction (the "Preceding Proposal Transaction") aimed at making the Company a wholly owned subsidiary of the Preceding Proposal Party.

In late August 2024, the Company engaged Nishimura & Asahi Gaikokuho Kyodo Jigyo ("Nishimura & Asahi") as its independent legal advisor to examine the Preceding Proposal Transaction. Nishimura & Asahi was selected independently from the Preceding Proposal Party and the Company.

In addition, in early September 2024, the Company received a non-binding offer in writing from the Preceding Proposal Party concerning the Preceding Proposal Transaction (the "Preceding Proposal"). To ensure prudence in its decision-making regarding the Preceding Proposal Transaction and to ensure fairness by eliminating arbitrariness in the Board's deliberations, the Company's Board of Directors resolved on September 9, 2024, to establish a special committee (the "Special Committee").

The Special Committee was composed of three independent directors: Mr. Naofumi Nishi, Ms. Haruka Osawa (an attorney) and Mr. Yasukazu Joho. The Special Committee was structured to maintain independence from the Preceding Proposal Party and the Company. (For details on the establishment and activities of the Special Committee, as well as the process and rationale behind its decisions, please refer to "⑤ Establishment of an Independent Special Committee and Receipt of Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer".)

On the same date, the Company also engaged Daiwa Securities Co., Ltd. ("Daiwa Securities") as an independent financial advisor and third-party valuation institution to evaluate the Preceding Proposal Transaction. Daiwa Securities was selected independently from the Preceding Proposal Party and the Company. Furthermore, as stated in "⑤ Establishment of an Independent Special Committee and Receipt of Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer" on October 10, 2024, the Special Committee, after considering the independence, expertise, and track record of candidates, appointed Plutus Consulting Co., Ltd. ("Plutus") as an independent third-party valuation institution. Plutus Consulting was selected independently from the Tender Offeror, the Preceding Proposal Party, the Company, and the Tendering Shareholders.

Subsequently, on September 10, 2024, the Company communicated to the Preceding Proposal Party that it would consider the details of the Preceding Proposal after establishing the necessary structure for the consideration of the Preceding Proposal.

Following the commencement of the Company's examination of the Preceding Proposal, on September 26, 2024, the Tender Offeror approached the Company to conduct a meeting, and on October 10, 2024, the Tender Offeror verbally approached us about the possibility of acquiring the Company's shares, and the Company informed the Tender Offeror that the Company was already in discussions with another company regarding making the Company a wholly owned subsidiary, and requested the Tender Offeror to submit a letter of the intent in order to have the Tender Offeror participate in such discussions. Subsequently, on October 16, 2024, the

Company received a letter of the intent regarding the Transactions from the Tender Offeror (the "Tender Offeror Proposal").

In response, on October 16, 2024, the Special Committee, taking into account advice from Nishimura & Asahi and Daiwa Securities, as well as the Guidelines for Corporate Takeovers published by the Ministry of Economy, Trade and Industry on August 31, 2023 ("Corporate Takeover Guidelines"), noted that examination of the Tender Offeror Proposal was not included within the scope of the Special Committee's mandate. Furthermore, it recognized that the Preceding Proposal and the Tender Offeror Proposal were mutually exclusive and required a comprehensive assessment for the Company to deliberate on both proposals. Consequently, the Special Committee requested the Company's Board of Directors to formally resolve the establishment of a framework to examine both the Preceding Proposal and the Tender Offeror Proposal.

In response, at the Board of Directors meeting held on October 24, 2024, the Company resolved to instruct the Special Committee, which had been established to review the Preceding Proposal, to also provide opinions regarding the Tender Offeror Proposal and any competing proposals received from other third parties that may arise in competition with the Preceding Proposal and the Tender Offeror Proposal. For details on this resolution, please refer to "⑤ Establishment of an Independent Special Committee and Receipt of Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer."

Based on this decision, the Company reexamined the examine framework and determined that there were no issues with the review structure as Nishimura & Asahi, Daiwa Securities, and Plutus are all independent of the Tender Offeror and the Tendering Shareholders.

(ii) Background of Examinations and Negotiations

Following the establishment of the aforementioned framework, the Company engaged in discussions and negotiations with both the Preceding Proposer and the Tender Offeror regarding the feasibility of executing the Preceding Proposal Transaction and the Tender Offer. These discussions were conducted based on negotiation policies, opinions, instructions, and requests concerning material aspects reviewed in advance by the Special Committee. The Company also relied on analyses from Daiwa Securities regarding the fair valuation of the Company's Shares, advice on negotiation policies with the Tender Offeror, and financial guidance, as well as legal advice from Nishimura & Asahi regarding measures to ensure procedural fairness of the Transactions and other legal matters.

As part of this process, the Company held multiple rounds of discussions and negotiations with both the Preceding Proposer and the Tender Offeror, and, on October 24, 2024, requested that both parties submit letters of intent detailing their maximum acquisition prices and other transaction terms by November 11, 2024.

As a result, the Special Committee received a legally binding final proposal from the Preceding Proposer on November 11, 2024. Simultaneously, on the same day, the Company received a non-binding letter from the Tender Offeror.

In evaluating the proposals received from both the Preceding Proposer and the Tender Offeror, the Company compared and considered the proposed tender offer prices, other transaction terms, and the presence or absence of legal binding commitments in each case. Taking these factors into account, the Company determined that further discussion with both parties was essential to ensure the protection and enhancement of corporate value and the common interests of shareholders.

As a result, the Company decided to continue negotiations with both the Preceding Proposer and the Tender Offeror, and on November 12, 2024, requested that both parties submit legally binding letters of intent, reflecting improved tender offer prices, by a deadline of December 2, 2024.

Subsequently, on December 2, 2024, the Company received legally binding final letters of intent from the Preceding Proposal Party and the Tender Offeror (the final letter of intent received from the Preceding Proposal Party is hereinafter referred to as the "Preceding Proposal Final Letter of Intent" and the final letter of intent

received from the Tender Offeror as the "Tender Offeror Final Letter of Intent"). On the same day, in the course of comparing and examining the Preceding Proposal Final Letter of Intent and the Tender Offeror Final Letter of Intent, the Company comprehensively considered the tender offer price and other terms and conditions of each proposal, including the ability to raise funds, and as a result determined that the Tender Offeror Final Letter of Intent, in which the tender offer price for the common shares of the Company to be 4,000 yen, the purchase price for each of the 11th Series Share Options to be 226,300 yen, 292,900 yen per 13rd Share Options, 27,000 yen per Series 14th Series Share Options, 14,740 yen per 15th Series Share Options, 166,100 yen per 16th Series Share Options, is superior to the Preceding Proposal in terms of both the proposed price and the probability of a successful transaction, as well as in terms of strategies and measures to enhance corporate value over the medium to long term. Therefore, the Company communicated to the Tender Offeror that it will continue to hold discussions with the Tender Offeror regarding the Transactions, and to the Preceding Proposal Party that it will discontinue its consideration of the Precedent Proposal Transaction. With respect to the Tender Offer Price, after the Company received the Tender Offeror's final price proposal of 4,000 yen in the Tender Offeror Final Letter of Intent on December 2, 2024, based on the content of the reports received from Daiwa Securities and Plutus regarding the results of their trial calculations of the value of the Company's shares and the opinions of the Special Committee, the Company has determined that the Tender Offer Price is appropriate. After careful consideration of the price proposal, the Tender Offeror communicated its acceptance to the Tender Offeror to proceed with discussions and negotiations with the Tendering Shareholders at the said price.

Thereafter, the Tender Offeror has been concurrently discussing and negotiating the details of the Tendering Agreement with the Tendering Shareholders, and the Company has been confirming the status of such discussions and negotiations, and today the Company was informed by the Tender Offeror that the Tender Offeror and the Tendering Shareholders have reached agreement on the Tendering Agreement, including that the Tender Offer Price will be 4,000 yen. As a result, the Tender Offeror and the Company have reached an agreement to set the Tender Offer Price at 4,000 yen. For an overview of the Tendering Agreement, please refer to "4. Key Agreements Regarding Participation in the Tender Offer Between the Tender Offeror and the Company's Shareholders" below.

Throughout the above examination and negotiation process, the Special Committee received reports from the Company, Nishimura & Asahi and Daiwa Securities as needed and conducted appropriate confirmations and approvals. Specifically, the Special Committee reviewed and confirmed the content of the Company's business plans for four fiscal years from the fiscal year ending September 30, 2025 to the fiscal year ending September 30, 2028, including key assumptions, preparation process, and rationale, which were presented to both the Preceding Proposer and the Tender Offeror and served as the basis for Daiwa Securities and Plutus's valuation of the Company's Shares.

Furthermore, the Company's financial advisor acted in accordance with the negotiation policies that were deliberated and decided in advance by the Special Committee when negotiating with the Preceding Proposal Party and the Tender Offeror. Whenever price proposals related to the Preceding Proposal or the Tender Offeror Proposal were received from the Preceding Proposal Party or the Tender Offeror, the financial advisor promptly reported to the Special Committee. The Special Committee provided opinions, instructions, and requests regarding policies concerning negotiation with the Tender Offeror to the financial advisor, who implemented them accordingly.

The Company received a report dated December 19, 2024, from the Special Committee, including ① the conclusion that it would be reasonable for the Company's Board of Directors to resolve to express its support for the Tender Offer and to recommend that the Company's shareholders and Share Options Holders tender their Company Shares or Share Options in the Tender Offer, and ② the conclusion that the Transactions would not be disadvantageous to the general shareholders of the Company (hereinafter referred to as the "Special Committee Report"). (For an overview of the Special Committee Report, see "⑤ Establishment of an Independent Special Committee and Receipt of Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the

Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer.")

Subsequently, based on the legal advice received from its legal advisor, Nishimura & Asahi, and the contents of the share valuation report (the "Share Valuation Report (Daiwa Securities)") prepared by Daiwa Securities, an independent third-party valuation institution, dated December 18, 2024 (an overview of the Share Valuation Report can be found under "② Obtaining Share Valuation Reports and Fairness Opinions from Independent Third-Party Valuation Institutions by the Special Committee"), the Company carefully deliberated and examined whether the Transactions would enhance the Company's corporate value and whether the terms and conditions of the Transactions, including the Tender Offer Price, were reasonable. In doing so, the Company placed the utmost respect on the contents of the Special Committee Report submitted by the Special Committee.

(iii) Content of Decision

As a result of the above process, the Company's Board of Directors, in its meeting held today, concluded that making the Company's shares go private and becoming a wholly owned subsidiary of the Tender Offeror through the Transactions would contribute to enhancing the corporate value of the Company Group.

Specifically, as described in " (i) Background and Purpose Leading to the Tender Offeror's Decision to Conduct the Tender Offer" in "② Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer, and Post-Tender Offer Management Policies," the Tender Offeror communicated to the Company its intent to implement measures such as (i) increasing the availability of products for overseas markets and (ii) conducting marketing using both companies' data know-how. The Company also determined that, by realizing and implementing these measures, the Company can expect to increase the number of sellers by offering preferential commissions to domestic corporate and individual sellers for selling products that are in high demand overseas, and we also can expect to increase the number of overseas users by being able to respond to overseas demand, the Company believed that the increase in the number of users of our services would lead to further expansion of the Company's global commerce business and contribute significantly to resolving the issues the Company is facing as the Company aims for further growth of our global commerce business. In addition, by becoming a wholly owned subsidiary of the Tender Offeror, the Company believes that the combination of the Tender Offeror's existing business assets, such as customer base and purchasing data, with the Company's existing business assets, such as customer base, operational excellence, and data, will enable the Company to accelerate new business initiatives and contribute to the realization of the Company's medium- to long-term growth and enhancement of corporate value. By combining the know-how of the Tender Offeror Group in the commerce domain that the Tender Offeror Group has cultivated through the provision of services such as "Yahoo Shopping" and "Yahoo! Auctions" with the know-how the Company's accumulated expertise, it is possible to improve services and expand customers in conjunction with media and settlement, and reduce costs by optimizing security measures and system infrastructure through technical cooperation with the Tener Offeror's group, and the Company thinks that these measures are expected to enhance the corporate value of both the Tender Offeror Group and the Company Group.

It is generally recognized that becoming a private company may have disadvantages, such as losing access to capital markets for equity financing or a potential decline in recognition and social credibility, which could impact talent acquisition. However, considering the Company's current financial situation, the necessity for equity financing in the near term is not deemed high. Additionally, the Company expects to secure the necessary funds for its business operations by leveraging the Tender Offeror Group's relationships with financial institutions and available financing methods. Furthermore, in terms of talent acquisition, the Company believes it already has sufficient recognition within the industry and that collaboration with the Tender Offeror in recruitment efforts as part of the Tender Offeror Group could further enhance its appeal. Therefore, it is not anticipated that becoming a private company will result in any significant disadvantages.

In addition, with regard to the possibility of dis-synergy between the Tender Offeror Group and the Company

Group, which is assumed in the Transaction, the Company has discussed with the Tender Offeror the risk that competitors of the Tender Offeror's services may become reluctant to do business with the Company after the Transaction. While discussing the need for a data firewall, they have concluded that it is their intention to continue to develop our business with a policy of treating the Tender Offeror and its competitors fairly even after the Transaction, and that it is possible to absorb such risk in the future growth of the Company's cross-border e-commerce business.

Additionally, regarding the Tender Offer Price, after considering the aforementioned discussions and negotiations, the Company primarily evaluated the following points (a) through (d) and concluded that the Tender Offer Price and other terms associated with the Tender Offer represent a fair price that ensures the benefits our general shareholders should receive. The Company also concluded that the Tender Offer provides an opportunity for the Company's shareholders and Share Options Holders to sell their shares and Share Options at a reasonable price with a fair premium.

(a) The Tender Offer Price exceeds the upper limit of the share valuation results based on the market price valuation method as stated in the Share Valuation Report (Daiwa Securities), as described in "② Acquisition of a Share Valuation Report from an Independent Third-Party Valuation Institution by the Company" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer." Furthermore, the Tender Offer Price falls within the range of valuation results based on the Discounted Cash Flow Method (the "DCF Method").

(b) The Tender Offer Price includes a premium of 18.69% over the closing price of 3,370 yen on the Tokyo Stock Exchange Prime Market on December 18, 2024, the business day immediately preceding the announcement of the Tender Offer. Additionally, it reflects premiums of 14.88% over 3,482 yen, the simple average of closing price for the one-month period leading up to the reference date, 3,066% over 30.46 yen, the three-month simple average closing price, and 44.35% over 2,771 yen, the six-month simple average closing price, all rounded to the nearest decimal point (the same applies to the simple average closing price below). This premium level is not necessarily at a high level compared to the average premiums observed in similar transactions, as referenced in the "Fair M&A Guidelines" published by the Ministry of Economy, Trade, and Industry on June 28, 2019. Specifically, the average premium levels derived from 45 comparable third-party buyout tender offers (excluding self-tender offers, discounted tender offers, and management buyout (MBO) transactions) completed between June 28, 2019, and December 18, 2024, are 54.4% over the closing price of the business day prior to the announcement date, and 55.4% over the one-month simple average, 58.4% over the three-month simple average, and 58.9% over the six-month simple average of the closing price of the business day prior to the announcement date, respectively. Similarly, the median premium levels are 44.6% over the closing price of the business day prior to the announcement date, and 41.5% over the one-month simple average, 45.8% over the three-month simple average, and 53.0% over the six-month simple average of the closing price of the business day prior to the announcement date, respectively. However, considering the fact that the tender offer price is at the highest frequency for 10 deals with a premium level of 30-40% from the average share price of the company common share for the past 3 months and for 10 deals with a premium level of 30-40% from the average share price for the past 6 months, the Tender Offer Price is at a reasonable premium from the share price of the Company Shares over the past 3 months and the share price over the past 6 months.

(c) According to the Special Committee's Report obtained from the independent Special Committee established by the Company, as described in "⑤ Establishment of an Independent Special Committee and Receipt of Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure

the Fairness of the Tender Offer," the transactions terms, including the Tender Offer Price, are deemed fair.

(d) The Tender Offer Price was determined after sufficient negotiations with the Tender Offeror under the substantive involvement of the independent Special Committee, which is independent of the Tender Offeror, the Preceding Proposal Party, the Company, and the Tendering Shareholders, as described in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer."

Similarly, since the purchase price of the Share Options is determined based on the difference between the Tender Offer Price and the exercise price of the Share Options multiplied by the number of the Company Shares to be issued upon exercise of one Share Option, the Company opportunity to sell their Share Options.

Based on the above, at its Board of Directors meeting held today, the Company resolved to express its support for the Tender Offer, as its current opinion, and to recommend that the Company's shareholders and Share Options Holders tender their Company Shares or Share Options in the Tender Offer.

Tender Offeror plans to commence the Tender Offer promptly once the Conditions Precedent for the Tender Offer are satisfied or waived by the Tender Offeror. As of today, while the Tender Offeror aims to commence the Tender Offer by late February 2025, based on discussions with domestic and foreign law firms regarding the procedures, since it is difficult to accurately predict the period required for the procedures, etc. of the relevant authorities both in Japan and abroad, the Tender Offeror will announce the details of the schedule for the Tender Offer as soon as they are decided.

Accordingly, at the aforementioned Board of Directors meeting, the Company also resolved to request that, when the Tender Offer is commenced, the Special Committee consider whether any changes have occurred regarding the opinion in the Special Committee Report submitted by the Special Committee to the Company's Board of Directors on December 19, 2024, 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.

Details of the resolutions made at today's Board of Directors meeting can be found in "⑥ Approval by Disinterested Directors (Including Directors Serving as Audit and Supervisory Committee Members)" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer."

(3) Matters Concerning Valuation

① Stock Valuation Report Obtained from an Independent Third-Party Valuation Institution

(i) Name of Valuation Institution and its Relationship with the Company and the Tender Offeror

To ensure the fairness of decisions regarding the Tender Offer Price and the terms of the transactions in the Preceding Proposal, the Company engaged Daiwa Securities, an independent financial advisor and third-party valuation institution independent of the Tender Offeror, the Preceding Proposal Party, the Company, and the Tendering Shareholders, to conduct a valuation of the Company's Shares. The Company received the Share Valuation Report (Daiwa Securities) on December 18, 2024.

As noted in "① Acquisition of a Share Valuation Report from an Independent Third-Party Valuation Institution by the Tender Offeror" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer," the Company and the Tender Offeror implemented measures to ensure the fairness of the Tender Offer Price and the overall Transaction. Based on these measures, the Company deemed the fairness the terms of the Transactions including the Tender Offer Price, adequately ensured. Consequently, the Company did not obtain a fairness opinion regarding the Tender Offer

Price from Daiwa Securities.

Daiwa Securities is not a related party of the Company or the Tender Offeror and holds no material interest requiring disclosure concerning the Transactions including the Tender Offer. While Daiwa Securities' compensation includes a success fee contingent upon the completion of the Transactions, the Company determined that such a structure does not undermine Daiwa Securities' independence. This conclusion considered common industry practices in similar transactions. Based on these factors, the Company appointed Daiwa Securities as its financial advisor and third-party valuation institution under the aforementioned compensation structure.

(ii) Summary of the Valuation of the Company's Shares

Daiwa Securities, after considering the appropriate valuation methods for the Tender Offer, determined that it would be suitable to evaluate the value of the Company's Shares from multiple perspectives under the assumption that the Company remains a going concern. Given that the Company's Shares is listed on the Tokyo Stock Exchange Prime Market, Daiwa Securities applied the Market Price Method. Additionally, to reflect the future operational conditions of the business, the Discounted Cash Flow (DCF) Method was employed. Based on these methods, Daiwa Securities calculated the per-share value range of the Company's Shares as follows:

Market Price Method:	2,771 yen to 3,482 yen
DCF Method:	2,908 yen to 3,755 yen

The Market Price Method used December 15, 2024 as the base date, analyzing the ordinary transactions of the Company's Shares on the Tokyo Stock Exchange Prime Market. The per-share value range of the Company's share was calculated as 2,771 yen to 3,482 yen, based on the closing price on the base date (3,370 yen), the simple average closing price over the past one month (3,482 yen), three months (3,066 yen), and six months (2,771 yen).

Using the DCF Method, Daiwa Securities evaluated the Company's corporate and share value by analyzing the free cash flow expected to be generated by the Company and discounted to present value using a certain discount rate. This analysis was based on the Company's business plans for four fiscal years from the fiscal year ending September 30, 2025 to the fiscal year ending September 30, 2028 ("Business Plans"), which considers revenue, investment plans, and publicly available information. The per-share value range was estimated at 2,908 yen to 3,755 yen.

In the Business Plans, on which the DCF valuation was based, the Company's business that excludes Incubation Business is adopted, but this is because the business plans for this business depends on the timing and price of the sale of individual issues, and given the possibility that such timing and price may be affected by the external environment and other factors, it is difficult to estimate the free cash flow of this business during the period of the Business Plan. The value of this business was added to the share value after evaluating each issue individually. The Business Plans did not include fiscal years with significant profit or loss fluctuations compared to the previous year and free cash flows neither include fiscal years with significant profit or loss fluctuations compared to the previous year.. Additionally, the synergy effects expected to be realized from the execution of the Transactions were not included in the Business Plans, as estimating them concretely at this stage is difficult.

(iii) Overview of the Valuation for Share Options

The purchase price for the Share Options (the "Share Options Purchase Price") is calculated by multiplying the difference between the Tender Offer Price and the exercise price of the Share Options by the number of shares of the Company's Shares subject to one Share Option. Since this calculation is based on the Tender Offer Price, the Company has not obtained a share valuation report for the Share Options from a third-party valuation institution.

It should be noted that the transfer of these Share Options requires approval from the Company's Board of Directors. However, the Company plans to grant comprehensive approval for the transfer of the Share Options to

the Tender Offeror by Share Options Holders who tender their rights in the Tender Offer at the time of the Tender Offer commences, conditional upon the successful completion of the Tender Offer and limited to those that were actually tendered.

② Obtaining Share Valuation Reports and Fairness Opinions from Independent Third-Party Valuation Institutions by the Special Committee

(i) Name of the Valuation Institution and its Relationship with the Company and the Tender Offeror

The Special Committee, in evaluating the Consultation Matters (as defined below, hereinafter the same), engaged Plutus, a third-party valuation institution that is independent of the Tender Offeror, the Preceding Proposal Party, the Company, and the Tendering Shareholders This engagement was to ensure the fairness of the transactions terms, including the Tender Offer Price, in the Transactions, and the Special Committee requested that Plutus evaluate the value of the Company Shares and express an opinion on the fairness of the transaction terms in the Transactions, from a financial perspective, for the Company's minority shareholders. On December 18, 2024, Plutus delivered a Share Valuation Report (Plutus) and the fairness opinion (the "Fairness Opinion").

Plutus is not a related party of the Tender Offeror, the Company or the Tendering Shareholders and holds no material interest concerning the Transactions, including the Tender Offer. Furthermore, the fees paid to Plutus for their services in relation to the Transactions consist solely of fixed fees that are payable regardless of whether the Transactions is completed. The fees do not include success fees contingent upon the execution or completion of the Transactions, including the Tender Offer.

(ii) Overview of the Valuation of the Company Shares

After considering which methods should be applied to calculate the value of the Company Shares among various share value calculation methods available, and assuming that the Company is a going concern and keeping in mind that it is appropriate to evaluate the value of the Company Shares from various perspectives, Plutus analyzed and calculated the value per share of the Company Shares using (i) the market price method in order to take trends of the Company's share price in the market into account, and (ii) the DCF method so as to reflect in the evaluation the current and expected business results of the Company.

The following are the ranges of values per share of the Company Shares that were calculated based on each calculation method mentioned above.

Market Price Method:	2,771 yen to 3,482 yen
DCF Method:	3,469 yen to 4,752 yen

Under the market price method, using December 18, 2024 as the valuation reference date, the value per share of the Company Shares was evaluated to range from 2,771 yen to 3,482 yen, based on the closing price of the reference date (3,370 yen), the simple average closing price for the most recent one month (3,482 yen), the simple average closing price for the most recent three months (3,066 yen) and the simple average closing price for the most recent six months (2,771 yen) of the Company Shares on the Prime Market of the Tokyo Stock Exchange.

Under the DCF method, the value per share of the Company Shares was evaluated to range from 3,469 yen to 4,752 yen based on the Business Plan made by the Company, considering earnings forecasts and investment plans for the four fiscal years from fiscal years from the fiscal year ending September 30, 2025 to the fiscal year ending September 30, 2028, by discounting to the current value at a certain discount rate the free cash flow that the Company is expected to generate after fiscal year ending September 30, 2025.

The Business Plan prepared by the Company, which was used by Plutus as the premise for the calculation of the DCF method, are as follows. The business plan prepared by the Company does not include business years during which a significant increase or decrease in revenue and free cash flow is expected. The synergies

expected by the Transaction being completed, except for the effects of reduced listing maintenance costs, are not reflected in the above evaluation because it is difficult to specifically estimate those synergies at present.

(Note) In calculating the share value of the Company Shares, Plutus relied on information that was shared by the Company and publicly available, assuming that they were accurate and complete, and Plutus has not independently investigated or verified such facts, nor is it obligated to investigate or verify them.

Plutus did not conduct an independent assessment or valuation of any assets or liabilities (including off-balance sheet assets and liabilities and other contingent liabilities) of the Company, including any analysis or evaluation of individual assets and liabilities and did not receive any assessment report or valuation report relating to the foregoing matters, nor did Plutus assess the creditworthiness of the Company.

In addition, it is assumed that the information regarding the Company's financial projections has been reasonably prepared based on the best projections and judgments available at the time of calculation by the Company's management.

However, Plutus has conducted multiple interviews to analyze and review the contents of the Company's business plan, which was used as the basis for the calculation, and the Special Committee has confirmed the reasonableness of the contents, material assumptions, and the process of preparation as described in "⑤ Establishment of an Independent Special Committee and Receipt of Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer" below.

(iii) Overview of the Valuation of Share Options

Since the purchase price of the Share Options is determined based on the difference between the Tender Offer Price and the exercise price of the Share Options multiplied by the number of the Company Shares to be issued upon exercise of one Share Option, the Company opportunity to sell their Share Options, the Company did not obtain the valuation report regarding the Share Options from the third-party valuation institutions.

It should be noted that the transfer of these Share Options requires approval from the Company's Board of Directors. However, the Company plans to grant comprehensive approval for the transfer of the Share Options to the Tender Offeror by Share Options Holders who tender their rights in the Tender Offer at the time of the Tender Offer commences, conditional upon the successful completion of the Tender Offer and limited to those that were actually tendered.

(iv) Overview of the Fairness Opinion

On December 18, 2024, the Special Committee obtained a Fairness Opinion from Plutus, stating that the Tender Offer Price of 4,000 yen per share is financially fair to the Company's general shareholders (Note). The Fairness Opinion asserts that, based on the valuation of the Company Shares derived from the business plan for the four fiscal years from fiscal years from the fiscal year ending September 30, 2025 to the fiscal year ending September 30, 2028 prepared by the Company, the Tender Offer Price of 4,000 yen per share is fair from a financial perspective to the Company's general shareholders.

The Fairness Opinion was issued by Plutus after it received disclosures from the Company regarding the current status and outlook of the Company Group's businesses, as well as explanations from the Company on these matters. Additionally, the opinion is based on Plutus's valuation of the Company's shares, which also took into account the details, background, and objectives of the Tender Offer through exchange of questions and answers with the Company. Plutus further examined the Company Group's business environment, economic conditions, market trends, and financial circumstances to the extent deemed necessary. Finally, the opinion underwent review procedures conducted by an independent review committee separate from Plutus's engagement team.

(Note) Plutus, in preparing and submitting the Fairness Opinion and conducting the valuation of the share value underlying it, relied on information and materials provided by or discussed with the Company, as well as publicly available information, assuming that such information and materials were accurate and complete. It also assumed that there were no undisclosed facts that could materially affect the analysis and valuation of the Company Shares. Plutus did not independently investigate or verify this information, nor was it obligated to do so. The business outlook and other materials provided by the Company that were used as the basis for the Fairness Opinion were assumed to have been reasonably prepared based on the best forecasts and judgments of the Company's management at the time. Plutus does not guarantee the feasibility of these materials and does not express any opinion on the analyses, projections, or assumptions on which they were based.

Plutus did not conduct any independent analysis or appraisal of the Company's or its affiliates' assets and liabilities (including off-balance-sheet assets and liabilities or other contingent liabilities), including analysis and appraisal of individual assets and liabilities, nor did it receive any evaluation or appraisal reports concerning these. Therefore, it did not evaluate the solvency of the Company or its affiliates.

Plutus is not a legal, accounting, or tax expert and has not expressed any views on, nor is it obligated to address, legal, accounting, or tax issues related to the Tender Offer. The Fairness Opinion was provided to assist the Special Committee in considering its recommendations to the Company on matters commissioned by the Company, and represents an opinion on the fairness of the Tender Offer Price from a financial perspective. The Fairness Opinion does not provide an assessment on the superiority or inferiority to alternative transactions, the benefits of the Tender Offer, or whether the Tender Offer should be executed.

The Fairness Opinion is based on the assumption of the financial and capital market conditions, economic condition, and other circumstances as of the date of its preparation. It is prepared based on information available to Plutus up to that date and reflects its opinion as of that date. Changes in circumstances subsequent to its issuance may impact the contents of the Fairness Opinion. However, Plutus is under no obligation to amend, modify, or supplement the Fairness Opinion in such cases. Furthermore, the Fairness Opinion does not suggest or imply any opinions beyond the matters explicitly stated within it, nor does it address situations occurring after the date of submission.

Plutus does not solicit investment or any other action related to the Company and has no authority to do so. The Fairness Opinion solely provides an opinion on whether the Tender Offer Price is financially fair and not disadvantageous to the general shareholders of the Company. It does not express any opinion or recommendation on the implementation of the Tender Offer, the decision to tender shares, or any other actions in connection with the Tender Offer. Additionally, it does not provide any views to the Company's security holders, creditors, or other stakeholders.

As such, Plutus assumes no liability to shareholders or third parties relying on the Fairness Opinion. The opinion has been provided as a reference material for the Company's Board of Directors and the Special Committee to be used as the basis for their judgment on the Tender Offer Price and cannot be relied upon by any other parties.

③ Obtaining Share Valuation Report from an Independent Third-Party Valuation Institution by the Tender Offeror

(i) Name of the Valuation Institution and its Relationship with the Company and the Tender Offeror

In determining the Tender Offer Price, the Tender Offeror requested Mizuho Securities, a financial advisor, to calculate the share value of the Company as a third-party valuation institution independent of the Tender Offeror, the Tendering Shareholders, and the Company. Mizuho Securities is not a related party of the Tender Offeror, the Tendering Shareholders, or the Company, and has no material interests that would be a conflict of interest with the Tender Offeror or the Company in relation to the Tender Offer. Mizuho Bank, Ltd. ("Mizuho Bank"), a group

company of Mizuho Securities, provides loans to the Tender Offeror and the Company, and Mizuho Bank and Mizuho Securities' group company Mizuho Trust & Banking Co., Ltd. ("Mizuho Trust & Banking") provide loans to the Tender Offeror as part of normal banking transactions, but they do not have any material interests that would be a conflict of interest with the Tender Offeror or the Company in relation to the Tender Offer. According to Mizuho Securities, Mizuho Securities has established and implemented an appropriate conflict of interest management system in accordance with applicable laws and regulations such as Article 36(2) of the Act and Article 70-4 of the Cabinet Office Ordinance on Financial Instruments and Exchange Business, etc. (Cabinet Office Ordinance No. 52 of 2007, as amended), and is valuing the share value of the Company from a position independent of the lender status of Mizuho Bank and Mizuho Trust & Banking. In valuing the share value of the Company, the Tender Offeror determined that Mizuho Securities has sufficient independence to perform its duties as a third-party valuation institution, taking into account that Mizuho Securities has a track record as a third-party valuation institution in cases where listed companies have become wholly-owned subsidiaries, and that an appropriate conflict of interest management system has been established and is being implemented within Mizuho Securities, and therefore selected Mizuho Securities as the third-party valuation institution.

(ii) Overview of the Valuation of the Company Shares

Mizuho Securities considered it appropriate to evaluate the share value of the Company from multiple angles after examining the Company's financial condition and the market price trend of the Company Shares, and after considering which valuation method to adopt from among several valuation methods, calculated the share value of the Company using the market price analysis and DCF Analysis. The Tender Offeror obtained a share valuation report dated December 18, 2024 (the "Share Valuation Report (Mizuho Securities)") from Mizuho Securities for reference. The Tender Offeror has not obtained a fairness opinion on the Tender Offer Price from Mizuho Securities.

The methods used in the Share Valuation Report (Mizuho Securities) and the ranges of per-share values of the Company Shares calculated based on those methods are as follows:

Market price analysis:	2,771 yen to 3,482 yen
DCF Analysis:	3,805 yen to 4,934 yen

In market price analysis, the valuation record date was set to December 18, 2024, which is the business day immediately preceding the announcement date of the Tender Offer (the "Business Day Preceding Announcement"), and the range of share values per share of the Company Shares has been calculated to be between 2,771 yen to 3,482 yen based on the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on the valuation record date of 3,370 yen, the simple average of the closing prices for the one-month period up to said date of 3,482 yen, the simple average of the closing prices for the three-month period up to said date of 3,066 yen, and the simple average of the closing prices for the six-month period up to said date of 2,771 yen.

In DCF Analysis, the Company's corporate value and share value were calculated by discounting the free cash flows expected to be generated by the Company from the fiscal year ending September 2025 onward to their present value at a certain discount rate based on the business plans provided by the Company (from the fiscal year ended September 2024 to the fiscal year ending September 2028) and the Company's future earnings forecast adjusted by the Tender Offeror taking into account the most recent performance trends, the results of the due diligence conducted by the Tender Offeror on the Company from late October 2024 to late November 2024, various factors such as publicly available information, and the synergy effects that can be realized by the implementation of the Transactions, and the Company's corporate value and share value were calculated by discounting the free cash flows expected to be generated by the Company from the fiscal year ending September

2025 onward to their present value at a certain discount rate, and the range of share value per Target Share was calculated to be between 3,805 yen and 4,934 yen. The DCF Analysis assumed that the Transactions will be implemented and the synergy effects from the implementation of the Transactions will be realized. In addition, the Company's business plans, which are the basis for the foregoing calculation under DCF Analysis, include fiscal years in which a significant increase or decrease in profits is expected. Specifically, in the fiscal year ending September 2025, the Company expects a temporary decrease in operating profit due to an increase in sales promotion expenses and expenses for the early realization of synergies, but in the fiscal year ending September 2026, the Company expects a significant increase in operating profit compared to the previous fiscal year due to expected growth in distribution and the realization of synergies. With regard to free cash flow, in addition to the temporary decrease in operating income expected for the fiscal year ending September 2025 as mentioned above, the Company expects capital investment associated with the relocation of its head office. However, it expects a significant increase in free cash flow compared to the previous fiscal year for the fiscal year ending September 2026 due to the removal of these one-off factors and the expected emergence of synergies. In addition to the results of the valuation of the share value of the Company in the Share Valuation Report (Mizuho Securities), the Tender Offeror has comprehensively taken into consideration the results of the due diligence conducted on the Company from around late October 2024 to around late November 2024, the market share price trends of the Company Shares, the likelihood of the Company's board of directors supporting the Tender Offer and the outlook for tenders in the Tender Offer, and based on the results of the discussions and negotiations with the Company, has ultimately decided at the board of directors meeting held today to set the Tender Offer Price at 4,000 yen. The Tender Offer Price of 4,000 yen represents a premium of 18.69% on the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on the Business Day Preceding Announcement of 3,370 yen, a premium of 14.88% on the simple average closing price for the one-month period up to the Business Day Preceding Announcement of 3,482 yen, a premium of 30.46% on the simple average closing price for the three-month period up to the Business Day Preceding Announcement of 3,066 yen, and a premium of 44.35% on the simple average closing price for the six-month period up to the Business Day Preceding Announcement of 2,771 yen.

(iii)Overview of the Valuation of Share Options

As of today, the exercise price of the Share Options per share of the Company Shares (Series 11 Share Options: 1,737 yen, Series 12 and Series 13 Share Options: 1,071 yen, Series 14 Share Options: 3,730 yen, Series 15 Share Options: 2,526 yen, Series 16 Share Options: 2,339 yen) is lower than the Tender Offer Price (4,000 yen), and the exercise period has arrived, fulfilling the conditions for exercise. Therefore, the Tender Offeror has decided to set the Share Option Purchase Price at the amount calculated by multiplying the difference between the Tender Offer Price of 4,000 yen and the exercise price of the Share Options per share of the Company Shares (Series 11 Share Options: 2,263 yen, Series 12 and Series 13 Share Options: 2,929 yen, Series 14 Share Options: 270 yen, Series 15 Share Options: 1,474 yen, Series 16 Share Options: 1,661 yen) by the number of Company Shares underlying one Share Option. Because the Tender Offeror has determined the Share Option Purchase Price as described above, the Tender Offeror has not obtained a valuation report or opinion (fairness opinion) from a third-party valuation institution. (Note) In valuing the share value of the Company, Mizuho Securities has, in principle, adopted the information provided by the Company and the Tender Offeror and the information publicly available, etc., as is, and has relied on the assumption that all such materials and information are accurate and complete, and that there are no facts that may have a material effect on the analysis and valuation of the Tender Offer Price that have not been disclosed to Mizuho Securities, and has not independently verified their accuracy. In addition, Mizuho Securities has assumed that the information regarding the Company's financial forecasts was reasonably prepared by the Company's management based on the best currently available forecasts and judgments, and that the Tender Offeror's management has reviewed the contents and consented to Mizuho Securities' use in its valuation. In addition, Mizuho Securities has not independently evaluated or assessed the assets and liabilities (including off-balance sheet assets and liabilities and other contingent liabilities) of the Company and its affiliates, nor has it

requested an appraisal or valuation from a third party institution. Mizuho Securities' valuation reflects the above information up to December 18, 2024.

(4) Prospect of Delisting and Reasons Thereof

As of today, the Company's shares are listed on the Tokyo Stock Exchange Prime Market. However, since the Tender Offeror has not set an upper limit on the number of shares to be purchased in this Tender Offer, the Company's shares may be delisted following the prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange, depending on the outcome of the Tender Offer. Even if the delisting criteria are not met at the time the Tender Offer is concluded, the Tender Offeror intends to acquire all of the Company Shares (provided that this includes the Restricted Shares and the Company Shares to be delivered pursuant to the exercise of the Share Options but excludes the treasury shares owned by the Company) through the Squeeze-out Procedures described below in "(5) Policies Regarding Organizational Restructuring Following the Tender Offer (Matters Related to a So-Called Two-Step Acquisition)" after the Tender Offer in compliance with applicable laws and regulations. In such a case, the Company' Shares will be delisted following the prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange. If the Company Shares are delisted, they will no longer be available for trading on the Tokyo Stock Exchange Prime Market. For reasons for pursuing delisting, the impact on minority shareholders, and the Company's perspective on these matters, please refer to "② Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer, and Post-Tender Offer Management Policies" in "(2) Basis and Reasons for Opinion," above, as well as "(5) Policies Regarding Organizational Restructuring Following the Tender Offer (Matters Related to a So-Called Two-Step Acquisition)" below.

(5) Policies Regarding Organizational Restructuring Following the Tender Offer (Matters Related to a So-Called Two-Step Acquisition)

As stated in "① Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion," the Tender Offeror intends to implement the Transactions as part of its plan to make the Company a wholly owned subsidiary. If the Tender Offeror fails to acquire all of the Company's shares and all of the Share Options through the Tender Offer, it plans to proceed with the Squeeze-Out Procedures after the Tender Offer is successfully completed to make the Company a privately held entity.

① Demand to Cash-Out

If, upon completion and settlement of the Tender Offer, the Tender Offeror comes to own 90% or more of the voting rights of all shareholders of the Company, the Tender Offeror plans to request all of the Company's shareholders (excluding the Tender Offeror and the Company) (the "Shareholders Subject to the Cash-Out") to sell all of the Company Shares that they hold (the "Demand to Cash Out Shares"), as well as request all share option holders (excluding the Tender Offeror) (the " Share Options Holders Subject to the Cash-Out") to sell all of the Share Options that they hold (the "Demand to Cash Out Share Options"; the "Demand to Cash Out Shares" and the "Demand to Cash Out Share Options" are hereinafter collectively referred to as the "Demand to Cash Out") promptly after the completion of the settlement of the Tender Offer. In the Demand to Cash Out Shares, the Tender Offeror plans to set forth that the amount equivalent to the Tender Offer Price will be delivered to the Company's shareholders (excluding the Tender Offeror and the Company) as the price per share of the Company Shares, and in the Demand to Cash Out Share Options, the Company plans to set forth that the amount equivalent to the Share Options Price will be delivered to the Share Options Holders Subject to the Cash-Out as the price per share option of the Shares Options. In such case, the Tender Offeror will notify the Company of it and will require the Company to approve the Demand to Cash Out. If the Company approves the Demand to Cash Out by a resolution of its board of directors, in accordance with the procedures set forth in the relevant laws and ordinances, without individual approvals by the Shareholders Subject to the Cash-Out and the Share Options Holders Subject to the Cash-Out, the Tender Offeror will acquire, as of the acquisition date set forth in the Demand to Cash Out, all of the Company Shares owned by the Shareholders

Subject to the Cash-Out, and all of the Share Options owned by the Share Options Holders Subject to the Cash-Out. In such case, the Tender Offeror plans to deliver the amount equivalent to the Tender Offer Price per share of the Company Shares to each of such Shareholders Subject to the Cash-Out and the amount equivalent to the Share Options Tender Offer Price per Share Options to the Share Options Holders Subject to the Cash-Out as consideration for the Company Shares that were owned by the Shareholders Subject to the Cash-Out and the Share Options that were owned by the Share Options Holders Subject to the Cash-Out, respectively. If the Tender Offeror notifies the Company of its intention to proceed with Demand for Share Cash-Out and the items specified in Article 179-2, Paragraph 1 of the Companies Act, the Company's Board of Directors intends to approve the request.

Pursuant to Article 179-8 of the Companies Act and other relevant laws and regulations designed to protect the rights of minority shareholders and Share Options holders, Selling Shareholders and Selling Share Options Holders (excluding the Tender Offeror and the Company) who did not tender their shares or rights in the Tender Offer may petition the court to determine the sale price of their shares or Share Options. The final sale price for such shares and Share Options will be determined by the court.

② Share Consolidation

If, upon completion and settlement of the Tender Offer, the Tender Offeror owns less than 90% of the Company's voting rights, the Tender Offeror plans to request the Company to hold an extraordinary shareholders meeting (the "Extraordinary Shareholders Meeting"), promptly after the settlement of the Tender Offer, that will resolve proposals including: (a) a proposal regarding the consolidation of the Company Shares (the "Consolidation of Shares") under Article 180 of the Companies Act, and (b) a proposal regarding a partial amendment to the articles of incorporation subject to the Consolidation of Shares becoming effective for the purpose of abolishing the provision regarding the number of shares constituting one unit of share (if the Tender Offer is commenced in *late February* 2025. the Extraordinary Shareholders Meeting is expected to be held around June 2025). The Tender Offeror plans to vote in favor of each of the above-mentioned proposals at the Extraordinary Shareholders Meeting.

If the proposal regarding the Consolidation of Shares is approved at the Extraordinary Shareholders Meeting, as of the effective date of the Consolidation of Shares, the number of the Company Shares owned by the shareholders of the Company will be changed in proportion to the ratio for the Consolidation of Shares approved at the Extraordinary Shareholders Meeting. In the case where any fractional share less than one share arises as a result of the Consolidation of Shares, the amount of cash to be obtained by selling the Company Shares in the amount equivalent to the aggregate of such fractional shares (if there are any fractional shares less than one share in the aggregate, such fraction will be discarded; hereinafter the same) to the Company or the Tender Offeror will be delivered to the shareholders of the Company who have a fractional share pursuant to Article 235 of the Companies Act and other relevant laws or ordinances. With respect to the sale price of the Company Shares in the amount equivalent to the aggregate of such fractional shares, the Tender Offeror plans to request the Company to determine such price so that the amount of money to be delivered to each of the Company's shareholders (excluding the Company) who did not tender their shares in the Tender Offer as a result of such sale will be equal to the amount obtained by multiplying (a) the Tender Offer Price by (b) the number of the Company Shares held by such shareholder, and file a petition with a court for permission for such voluntary sale. The proportion of the Consolidation of Shares has yet to be determined as of today, but the Tender Offeror plans to request the Company to make a determination to the effect that the number of Company Shares held by Company's shareholders (excluding the Company) who did not tender their shares in the Tender Offer will be a fractional number less than one share so that the Tender Offeror will be the sole holder of all of the Company Shares (excluding the treasury shares owned by the Company). When the Tender Offer is completed, the Company plans to comply with these requests by the Tender Offeror. The specific procedures for the Consolidation of Shares will be discussed between the Tender Offeror and the Company, and then promptly publicly announced by the Company once they are decided.

The Companies Act prescribes that, in order to protect the rights of general shareholders in relation to the Consolidation of Shares, pursuant to the provisions of Article 182-4 and Article 182-5 of the Companies Act and

other relevant laws and regulations, in the case where the Consolidation of Shares is conducted and any fractional share less than one share arises, the Company's shareholders (excluding the Tender Offeror and the Company) may request the Company to purchase at a fair price all of its fractional shares less than one share and file a petition with a court for determination of the price of the Company Shares.

As described above, in the Consolidation of Shares, because the number of Company Shares held by the Company's shareholders (excluding the Company) who did not tender their shares in the Tender Offer is scheduled to be a fractional number less than one share, the Company's shareholders (excluding the Tender Offeror and the Company) who oppose the Consolidation of Shares are scheduled to be able to file the foregoing petition. The purchase price of the Company Shares in a case where the foregoing petition is filed will ultimately be determined by the court.

The method and timing of the procedures described in ① and ② above may be changed due to the amendment or enforcement of the relevant laws and regulations or the interpretation by the authorities on the relevant laws and regulations. However, even in such cases, the Tender Offeror intends to adopt any measures to eventually pay cash to the Company's shareholders (excluding the Company) who did not tender their shares in the Tender Offer and cause the amount of cash to be paid to each of the shareholders to be equal to the amount obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by each such shareholder.

With regard to the Restricted Shares, the allotment agreement states: (a) during the transfer restriction period, if matters regarding the Consolidation of Shares prescribed in Article 180 of the Companies Act are approved at the Company's shareholders meeting or matters concerning the Demand to Cash Out prescribed in Article 179 of the Companies Act are approved at the Company's board of directors meeting (only if the effective date of the Consolidation of Shares prescribed in Article 180(2)(ii) of the Companies Act or the date on which the special controlling shareholder acquires the shares, etc. to be sold prescribed in Article 179-2(1)(v) of the Companies Act (the "Squeeze-out Effective Date") arrives before the expiration of the transfer restriction period), the transfer restrictions will be lifted on all of the Restricted Shares by resolution of the Company's board of directors immediately before the business day preceding the Squeeze-out Effective Date, and (b) in the case prescribed in (a) above, the Company will automatically acquire without compensation all of the Restricted Shares on which the transfer restrictions have not been lifted as of the business day preceding the Squeeze-out Effective Date. Therefore, in the Squeeze-out Procedures, in accordance with the provisions of (a) of the allotment agreement above, the Restricted Shares for which the transfer restrictions have been lifted immediately before the business day preceding the Squeeze-out Effective Date will be subject to a Demand to Cash Out or Consolidation of Shares, and in accordance with the provisions of (b) of the allotment agreement above, the Restricted Shares for which the transfer restrictions have not been lifted as of the business day preceding the Squeeze-out Effective Date will be acquired without compensation by the Company.

In addition, if the Tender Offeror is unable to acquire all of the Share Options in the Tender Offer despite the Tender Offer being completed, and any Share Options remain unexercised, the Tender Offeror plans to request the Company to take steps reasonably necessary to execute the Transactions, such as acquiring the Share Options and encouraging the Share Options Holders to waive their Share Options. The Company intends to cooperate with such a request when received.

Specific procedures and the schedule thereof in each case above will be announced by the Company once they are determined through mutual discussions between the Tender Offeror and the Company. It is not intended in the Tender Offer to solicit the affirmative vote by the Company's shareholders at the Extraordinary Shareholders Meeting. Furthermore, the Company's shareholders and the Share Option Holders should consult with tax attorneys or other tax advisors under their own responsibility regarding tax implications in relation to the tender in the Tender Offer or any of the procedures above.

(6) Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest, and Other Measures to

Ensure the Fairness of the Tender Offer

As of today, the Company is not a subsidiary of the Tender 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 team of the Company will directly or indirectly invest in the Tender Offeror, and the Transactions, including the Tender Offer, do not constitute a so-called management buyout (MBO) transaction. With that said, however, since the Tender Offer is being implemented as part of the objective of making the Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror and the Company have each implemented the following measures to ensure the fairness of the Transactions, including the Tender Offer, from the perspectives of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest.

The measures outlined below, some of which were undertaken by the Tender Offeror, are based on explanations provided by the Tender Offeror:

① Acquisition of a Share Valuation Report from an Independent Third-Party Valuation Institution by the Tender Offeror

To ensure the fairness of the Tender Offer Price, the Tender Offeror engaged Mizuho Securities, an independent financial advisor and third-party valuation institution independent of the Tender Offeror, the Preceding Proposal Party, the Company, or any participating shareholders, to calculate the value of the Company's shares. The Tender Offeror subsequently obtained a "Share Valuation Report" from Mizuho Securities. For details regarding the Share Valuation Report obtained by the Tender Offeror from Mizuho Securities, please refer to "③ Obtaining Share Valuation Report from an Independent Third-Party Valuation Institution by the Tender Offeror" in "(3) Matters Concerning Valuation," above.

② Acquisition of a Share Valuation Report from an Independent Third-Party Valuation Institution by the Company

The Company engaged Daiwa Securities, an independent third-party valuation institution not affiliated with the Tender Offeror, the Preceding Proposal Party, the Company, and the Tendering Shareholders, to calculate the value of the Company's shares. On December 18, 2024, the Company obtained the Share Valuation Report (Daiwa Securities). For details regarding the Share Valuation Report obtained by the Company from Daiwa Securities, please refer to "① Share Valuation Report Obtained from an Independent Third-Party Valuation Institution" in "(3) Matters Concerning Valuation," above.

③ Acquisition of a Share Valuation Report and Fairness Opinion by the Special Committee

The Special Committee, in conducting its review of the Consultation Matters, sought to ensure the appropriateness of the transaction terms, including the Tender Offer Price. To this end, it engaged Plutus, an independent third-party valuation institution independent ofthe Tender Offeror, the Preceding Proposal Party, the Company, and the Tendering Shareholders. Plutus was tasked with calculating the value of the Company's shares and issuing an opinion on the fairness of the transaction terms from a financial perspective for the minority shareholders. On December 18, 2024, the Special Committee obtained the Share Valuation Report (Plutus) and the Fairness Opinion from Plutus.

For details regarding the Share Valuation Report (Plutus) and the Fairness Opinion obtained from Plutus, please refer to "② Obtaining Share Valuation Reports and Fairness Opinions from Independent Third-Party Valuation Institutions by the Special Committee" in "(3) Matters Concerning Valuation," above.

Plutus is not a related party of the Tender Offeror, the Preceding Proposal Party, the Company, and the Tendering Shareholders and holds no material interest concerning the Tender Offer or the Transactions. Furthermore, Plutus's remuneration for the Transactions is structured as a fixed fee, irrespective of the success or failure of the Transactions, and does not include any success-based fees contingent on the completion of the Tender Offer or the Transactions.

④ Independent Legal Advice Obtained by the Company

To ensure the fairness and appropriateness of the decision-making process of the Company's Board of Directors, the Company appointed Nishimura & Asahi as an independent legal advisor not affiliated with the Tender Offeror, the Preceding Proposal Party, the Company, or any participating shareholders. Nishimura & Asahi provided legal advice on the decision-making process, methodology, and other considerations related to the Tender Offer as part of the Company's Board of Directors' deliberations regarding the Tender Offer.

Nishimura & Asahi is not a related party of the Tender Offeror, the Preceding Proposal Party, the Company, and the Tendering Shareholders and does not have any material conflicts of interest concerning the Tender Offer or the Transactions. Furthermore, the compensation paid to Nishimura & Asahi does not include any success-based fees contingent upon the completion of the Tender Offer or the Transactions.

⑤ Establishment of an Independent Special Committee and Receipt of Report from the Special Committee

(i) Background of Establishment

As stated in "③ Process and Reasons for Decision-Making at the Company" in "(2) Grounds and Reasons for the Opinion," to ensure caution in the Company's decision-making concerning the Preceding Proposal Transaction, to eliminate arbitrariness and potential conflicts of interest in the decision-making process of the Board of Directors, and to ensure fairness, the Company, by a resolution of the Board of Directors dated September 9, 2024, established a Special Committee composed of three independent outside directors, Mr. Naofumi Nishi, Ms. Haruka Osawa, and Mr. Yasukazu Joho. Following a mutual vote among the members, Mr. Naofumi Nishi was elected Chairperson of the Special Committee.

The Board of Directors requested the Special Committee to provide opinions on the following items before the Company determines its stance:

(i) The rationality of the purpose of the Preceding Proposal Transaction (including whether it enhances the Company's corporate value);
(ii) The fairness and validity of the transaction terms of the Preceding Proposal Transaction;
(iii) The fairness of the procedures relating to the Preceding Proposal Transaction;
(iv) Whether the Preceding Proposal Transaction is disadvantageous to the Company's minority shareholders;
(v) Whether the Board of Directors should express support for the Preceding Proposal Transaction and recommend that the Company's shareholders and Share Options Holders tender their shares or Share Options in the tender offer.

Furthermore, the Company's Board of Directors resolved that, in making a decision regarding the Preceding Proposal Transaction involving the Tender Offer for the Company's common share and Share Options by the Preceding Proposal Party, it would fully respect the judgment of the Special Committee. The resolution included that if the Special Committee determined that the transaction terms of the Preceding Proposal were not reasonable, the Company would not support the Preceding Proposal Transaction.

In addition, the Company's Board of Directors granted the Special Committee the following authorities: (i) The authority to appoint or approve (including ex post facto approval) the Company's financial advisors, third-party valuation institutions, legal advisors, and other advisors (hereinafter "Advisors") and, if the Special Committee deemed it necessary to rely on the Company's advisors, to request their professional advice. (ii) The authority to appoint its own Advisors for the Special Committee (reasonable costs associated with the professional advice of the Special Committee's Advisors, will be borne by the Company). (iii) The authority to require attendance at the Special Committee meetings from the Company's directors, employees, or other individuals the Special Committee deems necessary and to request explanations on necessary information. (iv) The authority to negotiate the terms of the Transactions as needed (even if the Special Committee does not directly negotiate the terms of the Tender Offer, it shall endeavor to ensure substantial involvement in the negotiation process, such as confirming policies in advance,

receiving timely reports on the negotiation status, providing opinions at critical points, and issuing instructions or requests. The Company will cooperate to ensure this involvement is secured).③

Subsequently, as described in "③ Process and Reasons for Decision-Making at the Company" in "(2) Grounds and Reasons for the Opinion"," the Company resolved to add the following items as additional consultation matters for the Special Committee in the event it receives a proposal from a third party competing with the Preceding Proposal and the Tender Offeror's proposal (the "Competing Proposals"):

(I) The rationality of the purpose of the Transactions and Competing Proposals (including whether they contribute to enhancing the Company's corporate value).
(II) The fairness and reasonableness of the transaction terms of the Transactions and Competing Proposals.
(III) The procedural fairness of the Transactions and Competing Proposals.
(IV) Whether the Transactions and Competing Proposals are disadvantageous to the minority shareholders of the Company.
(V) Opinions on whether the Board of Directors of the Company should express support for the Transactions and Competing Proposals and recommend that the Company's shareholders and share acquisition Share Options Holders tender their shares in the relevant tender offer.

((I) through (V) are collectively referred to as "Consultation Matters")

In addition, at today's board of directors meeting, the Company also resolved to request the Special Committee to consider whether there have been any changes to the opinion of the Special Committee submitted to the Company's board of directors today, when the Tender Offer is commenced, and to advise the Company's board of directors to that effect if there is no change to its previous opinion, or to state a revised opinion if there has been a change, and to express a new opinion regarding the Tender Offer at the time the Tender Offer is commenced, taking into account the opinion of the Special Committee.

Furthermore, in making the resolution above, the Company re-examined the examination procedures described above, and determined that there was no issue with the examination procedures because Nishimura & Asahi, Daiwa Securities, and Plutus are all independent of the Tender Offeror and the Tendering Shareholders.

Incidentally, among the members of the Special Committee, each of Mr. Naofumi Nishi and Ms. Haruka Osawa is scheduled to retire as an outside director of the Company upon the completion of his/her term of office at the conclusion of the Company's 25th Annual General Shareholders Meeting scheduled to be held on December 20, 2024. However, a proposal to reappoint each member is expected to be passed at such Annual General Shareholders Meeting, and if a member is reappointed as an outside director through such resolution, the member is expected to continue as a member of the Special Committee

Additionally, it was determined that each member of the Special Committee would receive a fixed amount of remuneration as compensation for their duties, regardless of the content of the recommendations. This remuneration does not include success fees contingent on the completion of the Transactions. However, if the total meeting time of the Special Committee exceeds 20 hours, additional remuneration may be considered separately.

(ii) Review Process

The Special Committee, in making its recommendations on the Consultation Matters, held a total of 21 meetings, attended by all three members, from October 2, 2024, to December 18, 2024, spanning approximately 16 hours in total. These meetings included reporting, information sharing, deliberation, and decision-making. Additionally, between meetings, the Committee engaged in discussions via email and other means, conducting thorough reviews and deliberations on the Consultation Matters.

On October 2, 2024, the Special Committee approved seeking professional advice from Daiwa Securities, the Company's independent third-party valuation institution and financial advisor, and Nishimura & Asahi, the Company's legal advisor, both of which were deemed to have no issues regarding independence and expertise.

Moreover, exercising its authority to appoint its own advisors, the Special Committee resolved on October 10, 2024, to select Plutus, an independent third-party valuation institution with no affiliation with the Tender Offeror, the Company, and the Tendering Shareholders, after reviewing its independence, expertise, and track record.

Based on this decision, the Company reexamined the examine framework and determined that there were no issues with the review structure as Nishimura & Asahi, Daiwa Securities, and Plutus are all independent of the Tender Offeror and the Tendering Shareholders.

Furthermore, the Special Committee received legal advice from Nishimura & Asahi regarding measures to ensure fairness in the Transactions, procedures to avoid conflicts of interest, and other general matters related to the Transactions, considering the firm's independence and expertise.

The Special Committee also submitted inquiries to the Tender Offeror and conducted direct discussions, receiving explanations from the Tender Offeror on the background, purpose, post-Transaction management policies, governance, procedures, and terms of the Transactions, followed by Q&A sessions.

Based on the above process, after thorough deliberations and careful examination of the Consultation Matters, the Special Committee submitted its recommendations to the Company's Board of Directors on December 18, 2024, with unanimous agreement from all members, summarizing the following key points.

(iii) Details of the Decision

Based on the above background, the Special Committee took into consideration Nishimura Asahi's advice provided from a legal standpoint, Plutus's advice provided from a financial standpoint, and details of the Share Valuation Report (Plutus) and the Fairness Opinion submitted as of December 18, 2024, and carefully discussed and deliberated the Consultation Matters; as a result thereof, as of today, the Special Committee submitted the Special Committee Report which is summarized as below, with unanimous consent of the committee members.

(a) Details of the Report

I. The purpose of the Transactions is considered to contribute to the enhancement of the Company's corporate value and is considered to be fair and reasonable.

II. The fairness of the procedures for the Transactions has been ensured, and it is considered that sufficient consideration has been given to the interests of the Company's shareholders through fair procedures in the Transactions.

III. Even when compared with the Preceding Proposal Transaction, the terms and conditions of the Transactions, including the Tender Offer Price, are considered to be fair and reasonable.

IV. It is considered that the Transactions will not be disadvantageous to the minority shareholders of the Company.

V. It is considered that it is appropriate for the Company's board of directors to express an opinion in favor of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer

(b) Reasons for the Report

I. Reasonableness of the Purpose of the Transactions

Based on the following points, the Special Committee believes that the Transactions contributes to the improvement of the Company's corporate value and that the purpose thereof is reasonable.

(i) The Company recognizes the following points as challenges facing the management, which are not considered to be unreasonable.

・ While the Company Group's global commerce business has grown steadily by continuously acquiring overseas customers who want to purchase Japanese products through collaboration

with major domestic platforms and over 6,000 e-commerce sites, there is little room for further expansion of domestic partners.

- The Company Group's global commerce business mainly handles entertainment-related products, and despite the strong overseas demand for Japanese content, the Company Group is unable to fully respond to such overseas demand due to differences in language between Japan and overseas.
- The internet industry, to which the Company Group belongs, is extremely volatile and requires continuous evolution of business structure, and it is important for the Company Group to create and acquire new businesses in order to secure long-term profits.
- For the employees of the Company Group, there is only a limited number of systematic mechanisms in place for career development and skills improvement through training after joining the company

(ii) After receiving an explanation from the Company and asking questions about the explanation provided, there were no particularly unreasonable points in the Company's explanation of the following synergies and effects of improving corporate value after the Transactions, and the synergies and effects of improving corporate value after the Transactions were specific.

- All of the following measures to enhance the value of the Company proposed by the Tender Offeror are considered to contribute to enhancing the corporate value of the Company.
  (a) Measures to increase products for overseas markets
  (b) Joint marketing to overseas customers
  (c) Collaboration on know-how for countermeasures against misconduct
- After the Transactions, it is considered that the human resources development of the Company Group as a whole will progress by mutually sharing the knowledge of the Tender Offeror Group and the Company Group regarding data security and infrastructure, particularly in engineering.
- As the Tender Offeror has been a business partner of the Company since its founding and is currently the largest business partner that contributes the most to the Company's profits, it is considered that sufficient synergies can be expected based on the existing business relationship.
- On the other hand, with regard to the possibility of a potential dis-synergy between the Tender Offeror Group and the Company Group in the Transactions, while there is a risk that competitors of the Tender Offeror's services may become reluctant to do business with the Company as a result of the Transactions, it is thought that this risk can be absorbed in the future growth of the Company's cross-border e-commerce business.

(iii) The synergy effects considered by the Company are reasonable, and there are no unreasonable points in the Company's judgment and decision-making process that the Transactions will contribute to the enhancement of the Company's corporate value over the medium to long term.

II. Fairness of the procedures for the Transactions

Based on the following considerations, it is recognized that the fairness of the procedures for the Transactions has been ensured, as appropriate measures have been taken in accordance with the main fairness measures stipulated in the Guidelines for Fair M&A, and there are no unreasonable points in the content of these measures.

(i) In considering the pros and cons of the Transactions, a special committee with independence has been established, and this is functioning effectively, taking into account the main points raised in the Guidelines for Fair M&A regarding measures to enhance the effectiveness of the Special Committee.

- The Special Committee was involved in the Transactions from the initial stages of the process of forming the terms and conditions of the Transactions.
- The members of the Special Committee who participated in the deliberations and voting on the Transactions were independent of the Company and parties involved, and there were no issues

regarding their qualifications.

- The Company's independent outside directors were substantially involved in the decision to establish the Special Committee, the establishment of its authority and responsibilities, the selection of its members, and the determination of its compensation.
- The Special Committee has been substantially involved in the negotiation process regarding the terms of the Transactions between the Company and the Preceding Proposer and the Tender Offeror.
- The Special Committee has sought expert advice from advisors and experts with a high level of expertise and independence who were appointed by the Company's board of directors and who have a proper understanding of their role and are able to fulfill that role to the fullest extent, and, and at the same time, it is recognized that there was a system in place that allowed the Special Committee to seek expert advice on corporate value assessment from a third-party assessment organization that it had independently appointed, and to seek expert knowledge on the fairness of the procedures and corporate value assessment in a timely and appropriate manner.
- The Special Committee has established a system that enables it to obtain important information, including non-public information, and to consider and determine the pros and cons of the Transactions and the appropriateness of the terms and conditions of the Transactions based on such information, and the Special Committee has actually obtained such information and considered and determined the pros and cons of the Transactions and the appropriateness of the terms and conditions of the Transactions.
- The Special Committee members are provided with compensation that is considered to be appropriate in terms of the content and level of their responsibilities, and it is recognized that they will be provided with such compensation..
- The board of directors of the Company is recognized as having established a system for making decisions that respects the content of the decisions made by the Special Committee to the maximum extent possible, based on an appropriate understanding and awareness of the content of the decisions made by the Special Committee, in light of the purpose of establishing the Special Committee.

(ii) The board of directors and the Special Committee have obtained independent expert advice from external specialists and experts in consideration of the main points raised in the Guidelines for Fair M&A, with the aim of carefully examining and determining the fairness of the procedures and the appropriateness of the terms and conditions of the Transactions, as follows, and it is recognized that this is functioning effectively.

- It is recognized that the Company obtained independent expert advice from N&A, a legal advisor with independence from the Company, from the initial stages of considering the Preceding Proposal Transaction and the Transactions.
- It is recognized that the Company's board of directors or the Special Committee obtained a share valuation report and a fairness opinion from a third-party evaluation institution with expertise as the basis for their judgment when considering the Preceding Proposal Transaction and the Transactions, and that there are no circumstances that would raise serious doubts about the independence of the third-party evaluation institution that conducted the share valuation or the fairness opinion.

(iii) The Company's board of directors and the Special Committee have, as described below, obtained independent expert advice from outside experts with due consideration to the main points raised in the Guidelines for Fair M&A, for the purpose of a careful examination and decision-making process regarding the fairness of the procedures and the appropriateness of the terms and conditions of the Transactions, and it is recognized that this is functioning effectively.

- The Company has confirmed the acquisition intentions of multiple potential candidates and has implemented a bidding process with multiple potential acquirers, so it can be evaluated as having conducted active market checks to the extent necessary.
- In the Transactions, including the period from the announcement of the Tender Offer to the commencement of the Tender Offer, a period of time was secured for counter-offers that was longer than the general tender offer period of 30 business days, and under the Tender Offer Agreement, the Company is able to discuss counter-offers to a certain extent, and the agreement also provides for the possibility of withdrawing the recommendation to accept the offer and apply for the offer, so it is recognized that an environment has been created in which other potential acquirers can make counter-offers after the announcement, and an indirect market check is being carried out.
- There are no unreasonable points in the provision of information to the Preceding Proposer and the Tender Offeror, and it is recognized that the response is in accordance with the requirements of the Guidelines for Fair M&A.

(iv) It is recognized that in the Transactions, the Special Committee, share valuation reports, and other information that the Guidelines for Fair M&A expect to be disclosed will be appropriately disclosed to the general shareholders of the Company.

(v) With regard to the Squeeze-out Procedures, no scheme has been adopted that does not ensure the right of shareholders to request purchase or the right to request determination of price for shareholders who oppose the Transactions, and it is planned to be disclosed that (i) the Squeeze-out Procedures will be conducted if the Tender Offer is successful, and (ii) the amount of money to be delivered to the Company's shareholders who did not tender their shares in the Tender Offer will be the same as the Tender Offer Price multiplied by the number of the Company Shares held by each such shareholder. It is recognized that the Transactions take into account the fact that it does not create coercion against general shareholders and that it takes measures that contribute to ensuring the fairness of the procedures

III. Fairness and appropriateness of the terms of the Transactions

The following considerations indicate that the Company's corporate value is being appropriately evaluated, so the terms of this transaction are considered to be fair and appropriate.

(i) Consultation and negotiation process regarding the terms

- The terms and conditions of the Transactions were agreed upon as a result of the bidding process conducted by the Company, and in the bidding process, based on the request of the Special Committee, negotiations on the terms and conditions were conducted multiple times between the Company and the Tender Offeror, and as a result, the Tender Offeror agreed to the terms and conditions after extracting significant concessions from the Tender Offeror.
- The process of consultation and negotiation regarding the terms of the Transactions was recognized as fair and appropriate, and it was recognized that reasonable efforts were made to ensure that the Transactions would be conducted under terms and conditions that would not be disadvantageous to minority shareholders while enhancing corporate value

(ii) Results of the share valuation by the third-party valuation institution selected by the Company

- In the results of the share valuation by Daiwa Securities, the per share value of the Company Shares was calculated to be between JPY 2,771 and JPY 3,482 based on the market price method and between JPY 2,908 and JPY 3,755 based on the DCF method.
- The Special Committee received an explanation from Daiwa Securities regarding the share valuation and conducted a question-and-answer session, and found no particular unreasonable points in the methods and calculation process adopted by Daiwa Securities in calculating the

value of the Company Shares or in the results of the share valuation.

(iii) Results of the share valuation by the third-party valuation institution selected by the Special Committee.

- In the results of the share valuation by Plutus, the per share value of the Company Shares was calculated to be between JPY 2,771 and JPY 3,482 based on the market price method and between JPY 3,469 and JPY 4,752 based on the DCF method.
- The Special Committee has obtained a fairness opinion dated December 18, 2024 from Plutus, and Plutus has expressed the opinion that the Tender Offer Price is fair to the Company's general shareholders from a financial point of view, and there are no particularly unreasonable points in the issuance procedures and content of the fairness opinion, and it is thought that the fairness of the Tender Offer Price is also supported by these.
- The Special Committee received an explanation from Plutus regarding the share valuation and conducted a question-and-answer session, and found no particular unreasonable points in the methods and calculation process adopted by Plutus in calculating the value of the Company Shares or in the results of the share valuation.

(iv) Appropriateness of other terms

- With regard to the Squeeze-out Procedures, no scheme has been adopted that does not ensure the right of shareholders to request purchase or the right to request determination of price for shareholders who oppose the Transactions, and it is planned to be disclosed that (i) the Squeeze-out Procedures will be conducted if the Tender Offer is successful, and (ii) the amount of money to be delivered to the Company's shareholders who did not tender their shares in the Tender Offer will be the same as the Tender Offer Price multiplied by the number of the Company Shares held by each such shareholder. It is recognized that the Transactions take into account the fact that it does not create coercion against general shareholders and that the terms of the Squeeze-out Procedures are considered to be fair and appropriate.
- In addition to the above, no other terms and conditions of the Transactions were found to be unfair or inappropriate.

IV. Whether or not the Transactions are disadvantageous to the minority shareholders of the Company

- As stated above, the purpose of the Transactions is considered to be reasonable, and the procedures for the Transactions are fair, and the terms and conditions of the Transactions are considered to be fair and appropriate, so it is considered that the Transactions will not be disadvantageous to the general shareholders of the Company.

V. Opinion on whether the Company's board of directors should express an opinion in favor of the Transactions and recommend that the Company's shareholders and Share Option Holders tender in the Tender Offer

- As described above, the Transactions are considered to contribute to the enhancement of the Company's corporate value, the purpose of the Transactions is considered to be reasonable, the terms of the Transactions are considered to be fair and appropriate, and the procedures for the Transaction are considered to be fair and appropriate, and therefore it is considered appropriate for the Company's board of directors to express an opinion in favor of the Tender Offer and it is also considered appropriate for the Company's board of directors to recommend that the Company's shareholders tender their shares in the Tender Offer.
- However, it is expected that a certain period of time will be required from the announcement of the Tender Offer until its commencement, and if, for example, a change occurs during the period until the commencement of the Tender Offer, such as the market share price exceeding the Tender Offer Price, it is possible that separate consideration will be required. Therefore, the response to Item V of the Matters

for Consultation is based on the situation as of the date of this response

⑥ Approval by Disinterested Directors (Including Directors Serving as Audit and Supervisory Committee Members)

The Company's Board of Directors, taking into consideration the legal advice from Nishimura & Asahi, financial advice from Daiwa Securities, the contents of the Share Valuation Report, the Share Valuation Report (Plutus) and the Fairness Opinion submitted through the Special Committee, the results of multiple rounds of discussions with the Tender Offeror, and other related materials, carefully deliberated and examined the Transactions from the perspectives of enhancing corporate value and the reasonableness of the terms of the Transactions, while giving the utmost respect to the content of the Special Committee's recommendations.

As a result, as described in "③ Process and Reasons for Decision-Making at the Company" in "(2) Grounds and Reasons for the Opinion," the Company has determined that the Transactions, including the Tender Offer, will contribute to improving the Company's corporate value through (i) increase in products for overseas markets and (ii) development of marketing using both companies' data and know-how as proposed by the Tender Offeror, that the Tender Offer Price is appropriate in light of the legal advice received from Nishimura & Asahi, the financial advice received from Daiwa Securities, the content of the Share Valuation Report (Daiwa Securities), and the Share Valuation Report (Plutus) and the Fairness Opinion submitted through the Special Committee, that the Share Option Price is calculated as the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price of the share option by the number of the Company Shares that underlie each option and that it will provide the Company's shareholders with a reasonable opportunity to sell their shares. At the board of directors meeting held today, the Company's directors (including those who are audit and supervisory committee members) who participated in the deliberation and resolution unanimously expressed an opinion in favor of the Tender Offer and resolved to recommend that the Company's shareholders and Share Option Holders tender their shares and share options in the Tender Offer.

As stated above, if the Conditions Precedent for the Tender Offer are satisfied or waived by the Tender Offeror, the Tender Offeror plans to promptly commence the Tender Offer. As of today, the Tender Offeror aims to commence the Tender Offer at the end of February 2025, taking into account discussions with domestic and foreign law firms regarding the procedures.

However, since it is difficult to accurately predict the period required for the procedures by the relevant authorities in Japan and abroad, the Tender Offeror will announce the details of the schedule for the Tender Offer as soon as they are determined. Therefore, at the board of directors meeting described above, the Company has resolved to request the Special Committee to consider whether there have been any changes to the opinion of the Special Committee submitted to the Company's board of directors, when the Tender Offer is commenced, and to advise the Company's board of directors to that effect if there is no change to its previous opinion, or to state a revised opinion if there has been a change, and to express a new opinion regarding the Tender Offer at the time the Tender Offer is commenced, taking into account the opinion of the Special Committee.

At the board of directors meeting described above, all eight directors of the Company (including directors who are audit and supervisory committee members) participated in the deliberations and resolutions, and the resolution was passed unanimously by all directors who participated in the resolution. Furthermore, none of the Company's directors (including directors who are audit and supervisory committee members) have any interests in the Transactions, including the Tender Offer.

⑦ Ensuring opportunities for other acquirers to make acquisition proposals (market check)

The Company and the Tender Offeror have not entered into any agreement that would unduly restrict the Company from contacting any other acquisition proposer other than the Tender Offeror ("Competing Acquisition Proposer"). The Tender Offeror has set the tender offer period at 30 business days, while the statutory minimum is 20 business days, thereby ensuring 10 business days more than the statutory minimum period of 20 business days with the

intention of enabling other potential acquirers to consider the pros and cons of implementing counterproposals with greater level of consideration, ensuring an environment in which any Competing Acquisition Proposer can make a competitive bid, etc., and thereby taking care to ensure the fairness of the Tender Offer.

⑧ Measures to Ensure Adequate Opportunity for the Company's Shareholders and New Share Option Holders to Make Informed Decisions on Participation in the Tender Offer

The Tender Offeror has set the tender offer period at 30 business days, exceeding the statutory minimum of 20 business days. By establishing a tender offer period longer than statutory period in this way, the Tender Offeror ensures that the Company's shareholders and new share option holders have sufficient time and opportunity to make an informed decision regarding their participation in the Tender Offer.

4. Key Agreements Regarding Participation in the Tender Offer Between the Tender Offeror and the Company's Shareholders

① Tender Offer Agreement

The Company and the Tender Offeror entered into Tender Offer Agreements on December 19, 2024. The summary of these agreements is as follows:

- The Company is expected to express its opinion in favor of the Tender Offer and recommend that the Company's shareholders and holders of the Share Options tender their shares or Share Options in the Tender Offer, and to cooperate in good faith to the extent reasonably necessary to obtain the maximum number of shareholders and holders of the Share Options tendering their shares or Share Options in the Tender Offer. The Company is also expected to maintain its opinion in favor of the Tender Offer until the last day of the tender offer period and not to pass any resolution at a meeting of its board of directors to withdraw or modify its opinion.
- Except in the case where the Company may pass a resolution at a meeting of the board of directors to withdraw or modify its statement of opinion on the Transactions, the Company may not enter into any agreement with any party other than the Tender Offeror with respect to any transaction that could substantially compete with the Transactions (a "Competing Transaction"), and may not provide any information to any party other than the Tender Offeror for the purpose of considering or executing any such Competing Transaction, nor may it propose, offer or solicit any offer to enter into any such Competing Transaction, or enter into any discussion or negotiation with respect to any such transaction.
- Furthermore, if, after the execution of the Tender Offer Agreement, a tender offer (hereinafter referred to as a "Counter Tender Offer" in this ① Tender Offer Agreement) to acquire all of the shares and share options of the Company at a purchase price equivalent to an amount that exceeds the Tender Offer Price by a certain amount or more is commenced by a third party other than the Tender Offeror, without solicitation or proposal by the Company, by 4:00 p.m. on the business day immediately preceding the last day of the tender offer period, is launched, the Company may request the Tender Offeror to discuss changing the Tender Offer Price and the Share Option Purchase Price, provided that the Company has not breached any of its obligations under the Tender Offer Agreement, and the Tender Offeror must either change the Tender Offer Price to a price that exceeds the tender offer price in the Counter Tender Offer or make a new proposal to change the Share Option Purchase Price to a reasonable amount based on the Tender Offer Price after such change, by the later of either (i) the date that is 10 business days after the date of such request for discussion or (ii) the business day immediately preceding the last day of the tender offer period. If the Tender Offeror does not make a counter offer to change the Tender Offer Price to a price that exceeds the tender offer price for the Counter Tender Offer and change the Share Option Purchase Price to a reasonable amount based on the Tender Offer Price after such change, and if the Company receives an opinion from an external lawyer (limited to those belonging to a law firm with a good reputation in corporate legal affairs), the Company may change or withdraw its opinion and cancel

the Tender Offer Agreement. Furthermore, the Tender Offer Agreement does not stipulate that the Company will be subject to any obligation, burden or condition, regardless of the name, such as an obligation to pay damages or a penalty, as a result of changing or withdrawing its opinion.

- Under the Tender Offer Agreement, (i) the Tender Offeror will use its best efforts to obtain clearance under the competition laws of Japan and Taiwan within a reasonable time after the execution of the Tender Offer Agreement, subject to the Company fulfilling its obligations set out in (ii) below, and (ii) the Company will, to the extent reasonable, promptly provide the maximum amount of information requested by the Tender Offeror, cooperate to the maximum extent in a timely and good faith manner with respect to the matters requested by the Tender Offeror (including the provision of information necessary for filings and procedures under applicable competition laws and other laws and regulations), and cause the Company group (excluding the Company) to promptly provide information and cooperate to the maximum extent in a timely and good faith manner.
- In addition, the Tender Offer Agreement sets out the matters relating to the implementation of the Transaction (specifically, the Tender Offer and the subsequent Squeeze-Out Procedures), the representations and warranties of the Tender Offeror and the Company (Note 1), and certain obligations of the Company (Note 2) in addition to the above, and it is also stipulated that the Tender Offeror will implement the Tender Offer if the conditions precedent for the Tender Offer are satisfied or waived by the Tender Offeror. In addition, the Tender Offer Agreement provides that (i) if the other party (which refers to the Company for the Tender Offeror and the Tender Offeror for the Company. The same applies to the description of "other party" below) (i) in the event of a material breach of the representations and warranties set forth in the Tender Offer Agreement by the other party, (ii) in the event of a material breach of the obligations under the Tender Offer Agreement by the other party, (iii) in the event of a petition for commencement of bankruptcy proceedings being filed against the other party, or (iv) in the event that the Tender Offeror does not commence the Tender Offer by the last day of March 2025 (excluding cases where such failure is due to reasons attributable to the Tender Offeror) is also stipulated as a reason for termination.

(Note 1) In the Tender Offer Agreement, the Tender Offeror has made representations and warranties regarding (i) the validity of its establishment and continued existence, (ii) the authority and ability necessary for the execution and performance of the Tender Offer Agreement, (iii) the validity and enforceability of the Tender Offer Agreement, (iv) the absence of any conflict with laws and regulations regarding the execution and performance of the Tender Offer Agreement, (v) the acquisition of any necessary clearance under the competition laws of Japan and Taiwan at the time of such clearance being required, (vi) the absence of any transactions with antisocial forces, and (vii) the sufficiency of funds to conduct the Transactions. In addition, in the Tender Offer Agreement, the Company has made representations and warranties regarding (i) the validity of its establishment and continued existence, (ii) the authority and ability necessary to execute and perform the Tender Offer Agreement, (iii) the validity and enforceability of the Tender Offer Agreement, (iv) the absence of any conflict with laws and regulations regarding the execution and performance of the Tender Offer Agreement, (v) the absence of any bankruptcy proceedings, etc., (vi) the absence of any transactions with antisocial forces, (vii) the absence of any violation of laws and regulations, (viii) compliance with laws and regulations for the protection of personal information, (ix) the continuation of important business relationships as of the date of the Tender Offer Agreement, (x) the absence of any significant litigation as of the date of the Tender Offer Agreement, (xi) the absence of any undisclosed material facts, (xii) the accuracy of the disclosure documents, and (xiii) the accuracy of the information provided to the Tender Offeror,

(Note 2) Under the terms of the Tender Offer Agreement, the Company is obliged to (i) cooperate to ensure that the conditions precedent for the Tender Offer are met, (ii) if the shareholder who proposed the shareholder proposal at the 25th Annual General Shareholders Meeting to be held in December 2024

withdraws the proposal, to agree to the withdrawal of the shareholder proposal and (iii) the obligation to take all reasonably necessary measures to strengthen the compliance system for laws and regulations related to personal information, (iv) the obligation to perform duties within the scope of normal business operations, (v) the obligation to notify in the event of a breach of representations and warranties or a breach of obligations, (vi) the obligation to provide information on the Company Group to the Tender Offeror, and (vii) the obligation to maintain confidentiality.

② VARECS Tendering Agreement

The Tender Offeror has agreed to execute the VARECS Tendering Agreement with VARECS as of today, and tender all of the Company Shares held in the discretionary investment account operated by VARECS (number of shares held: 1,280,300 shares, ownership ratio: 9.52%) in the Tender Offer.

- The performance of the obligations of VARECS is subject to the fulfillment of all of the following conditions precedent. However, VARECS may, at its discretion, waive any of these conditions.
  - ① The Tender Offer has been lawfully and validly commenced by March 31, 2025, and has not been withdrawn.
  - ② There are no material errors in the Tender Offeror's representations and warranties (Note) at any time from the execution date of the VARECS Tendering Agreement to the commencement date of the tender offer period of the Tender Offer.
  - ③ There is no material breach of the obligations set out in the VARECS Tendering Agreement by the Tender Offeror.
  - ④ The Company's board of directors has passed a resolution to express an opinion in favor of the Tender Offer, and such opinion has not been withdrawn.
  - ⑤ There are no undisclosed important facts concerning the business, etc. of the Company (meaning those defined in Article 166(2) of the Act) and facts concerning the implementation and cancellation of a tender offer, etc. for the Company's share certificates, etc. (meaning those defined in Article 167(2) of the Act, excluding facts concerning the Tender Offer).
- After the execution of the VARECS Tendering Agreement and until the end of the tender offer period for the Tender Offer, if there is a tender offer to acquire all or part of the shares and share options of the Company by a person other than the Tender Offeror (hereinafter referred to as the "Counter Tender Offer" in this item ② VARECS Tendering Agreement) at a purchase price (cash, shares or other types of consideration, regardless of the type) that exceeds the Tender Offer Price (however, if the Tender Offer Price is increased due to a change in the terms of the purchase, the tender offer price after such change is referred to as the Tender Offer Price) by a certain amount (hereinafter referred to as the "Counter Tender Offer Price" in this item ② VARECS Tendering Agreement), which has commenced or a legally binding specific written proposal to conduct a Counter Tender Offer has been made to the Company, and the content of the proposal and the commencement of the Counter Tender Offer have been announced by the proposer or the Company if it is reasonably recognized that it would be a breach of the fiduciary duty that VARECS owes to its investors to accept the Counter Tender Offer or to withdraw its tender in the Tender Offer that has already been made, then VARECS shall offer to discuss the change in the Tender Offer Price with the Tender Offeror and shall conduct such discussions in good faith. If the Tender Offeror does not change the Tender Offer Price to a price that exceeds the Counter Tender Offer Price by the earlier of the date on which five business days have elapsed from the date of the request or the last day of the tender offer period of the Tender Offer, VARECS may not tender the Company Shares in the Tender Offer or may withdraw its tender in the Tender Offer without paying any compensation for damages, penalty, or other money, or being subject to any other obligation, burden, or condition,
- In the VARECS Tendering Agreement, VARECS has agreed with the Tender Offeror to the following

covenants.

① During the period after the execution date of the VARECS Tendering Agreement to the settlement commencement date of the Tender Offer (the "Settlement Commencement Date"), VARECS will not, directly or indirectly, transfer, donate, pledge as collateral or otherwise dispose of the tendered shares, or enter into any other transaction that substantially conflicts with the Tender Offer or makes it difficult to execute the Tender Offer, or enter into any agreements related thereto, and will not propose, solicit, discuss, negotiate or provide information regarding such transactions. If VARECS receives any information, proposal, solicitation, consultation or other offer regarding such a transaction from a third party, VARECS will promptly notify the Tender Offeror of such fact and details thereof, and will discuss in good faith with the Tender Offeror on how to deal with the situation.

② If a shareholders meeting of the Company is held after the execution date of the VARECS Tendering Agreement and with a record date for the exercise of rights on a date prior to the Settlement Commencement Date, with regard to the exercise of voting rights and other rights relating to the tendered shares at such shareholders meeting, VARECS will, at the Tender Offeror's option, (i) exercise such rights in accordance with the Tender Offeror's instructions (including amending or revoking rights that have already been exercised), or (ii) lawfully and validly grant agency power to the Tender Offeror or a person designated by the Tender Offeror by issuing a proper power of attorney in the form and with the contents specified by the Tender Offeror, bearing the name and seal of an authorized person, and will not revoke the grant of such agency power. However, the fulfillment of the obligations by VARECS under this provision is conditional on the public announcement of the Tender Offer being made by December 19, 2024.

③ After the execution date of the VARECS Tendering Agreement, VARECS will not exercise any of its shareholder rights, including the right to request the convening of the Company's shareholders meeting (Article 297 of the Companies Act), the right to propose agenda items at the Company's shareholders meeting (Article 303(1) and (2) of the Companies Act), or the right to propose resolutions a the Company's shareholders meeting (Article 304 and Article 305(1) of the Companies Act), without the prior written consent of the Tender Offeror. However, the fulfillment of the obligations by VARECS under this provision is conditional on the public announcement of the Tender Offer being made by December 19, 2024.

④ VARECS will cause the shareholders listed on the shareholder register of the tendered shares to lawfully and validly take all measures necessary to fulfill the obligations set forth in this provision with respect to the tendered shares.

・ In the VARECS Tendering Agreement, VARECS has represented and warranted to the Tender Offeror as of the execution date of the VARECS Tendering Agreement, the commencement date of the Tender Offer, and the Settlement Commencement Date, as to: (i) its existence and authority, (ii) possession of the authority and power necessary for the execution and performance of the VARECS Tendering Agreement and the completion of the necessary procedures, (iii) enforceability of the VARECS Tendering Agreement, (iv) absence of any conflict of laws and regulations by the execution and performance of the VARECS Tendering Agreement, (v) acquisition by VARECS of any permits or licenses necessary for the execution and performance of the VARECS Tendering Agreement, (vi) absence of any cause for bankruptcy filing, (vii) absence of any relationship with anti-social forces, and (viii) lawful ownership of, and the absence of any encumbrances such as security interests on, the Company Shares to be tendered in the Tender Offer.

In addition, other than the VARECS Tendering Agreement, there are no other agreements between the Tender Offeror and VARECS regarding the Tender Offer, and other than the money that will be obtained by tendering shares in the Tender Offer, no consideration will be provided by the Tender Offeror to VARECS in connection with the Tender

③ MIRI Tendering Agreement

The Tender Offeror has agreed to execute the MIRI Tendering Agreement with MIRI as of today, and tender all of the Company Shares it owns (number of shares held: 1,280,000 shares, ownership ratio: 9.51%) in the Tender Offer. Otherwise, the overview of the MIRI Tendering Agreement is as follows.

- There is no condition precedent for the tender under the MIRI Tendering Agreement.
- (i) If a tender offer is launched by a third party other than the Tender Offeror to acquire the common shares of the Company at a purchase price equivalent to a price that exceeds the Tender Offer Price by a certain amount (hereinafter referred to as a "Counter Tender Offer" in this item ③ MIRI Tendering Agreement), or (ii) if the market price of the Company's shares exceeds the Tender Offer Price and it is reasonably believed that MIRI's tendering or withdrawing a tender that has already been made and not terminating the MIRI Tender Agreement would be a breach of its fiduciary duties to its limited partners, and MIRI wishes to tender its shares in the Counter Tender Offer or sell them on the market, MIRI will request consultations with the Tender Offeror and shall consult in good faith with the Tender Offeror until the earlier of the date that is five business days after the date of the request for consultation or the last day of the tender offer period in the Tender Offer. If such consultation is carried out, MIRI will not make the tender or will withdraw its tender in the Tender Offer, and the shares subject to the tender in the Tender Offer may (i) be tendered in the Counter Tender Offer or (ii) be sold on the market at a price that exceeds the Tender Offer Price.
- In the MIRI Tendering Agreement, MIRI has agreed with the Tender Offeror to the following covenants.
  - ① During the period after the execution date of the MIRI Tendering Agreement to the Settlement Commencement Date, MIRI will not, directly or indirectly, transfer, donate, pledge as collateral or otherwise dispose of the tendered shares, or enter into any other transaction that substantially conflicts with the Tender Offer or makes it difficult to execute the Tender Offer, or enter into any agreements related thereto, and will not propose, solicit, discuss, negotiate or provide information regarding such transactions. If MIRI receives any information, proposal, solicitation, consultation or other offer regarding such a transaction from a third party, MIRI will promptly notify the Tender Offeror of such fact and details thereof, and will discuss in good faith with the Tender Offeror on how to deal with the situation.
  - ② If a shareholders meeting of the Company is held after the execution date of the MIRI Tendering Agreement and with a record date for the exercise of rights on a date prior to the Settlement Commencement Date, with regard to the exercise of voting rights and other rights relating to the tendered shares at such shareholders meeting, MIRI will, at the Tender Offeror's option, (i) exercise such rights in accordance with the Tender Offeror's instructions (including amending or revoking rights that have already been exercised), or (ii) lawfully and validly grant agency power to the Tender Offeror or a person designated by the Tender Offeror by issuing a proper power of attorney in the form and with the contents specified by the Tender Offeror, bearing the name and seal of an authorized person, and will not revoke the grant of such agency power.
  - ③ After the execution date of the MIRI Tendering Agreement, MIRI will not exercise any of its shareholder rights, including the right to request the convening of the Company's shareholders meeting (Article 297 of the Companies Act), the right to propose agenda items at the Company's shareholders meeting (Article 303(1) and (2) of the Companies Act), or the right to propose resolutions a the Company's shareholders meeting (Article 304 and Article 305(1) of the Companies Act), without the prior written consent of the Tender Offeror.
  - ④ MIRI will cause the shareholders listed on the shareholder register of the tendered shares to lawfully and validly take all measures necessary to fulfill the obligations set forth in this provision with respect to the tendered shares.

- In the MIRI Tendering Agreement, MIRI has represented and warranted to the Tender Offeror as of the execution date of the MIRI Tendering Agreement, the commencement date of the Tender Offer, and the Settlement Commencement Date, as to: (i) its existence and authority, (ii) possession of the authority and power necessary for the execution and performance of the MIRI Tendering Agreement and the completion of the necessary procedures, (iii) enforceability of the MIRI Tendering Agreement, (iv) absence of any conflict of laws and regulations by the execution and performance of the MIRI Tendering Agreement, (v) acquisition by MIRI of any permits or licenses necessary for the execution and performance of the MIRI Tendering Agreement, (vi) absence of any cause for bankruptcy filing, (vii) absence of any relationship with anti-social forces, and (viii) lawful ownership of, and the absence of any encumbrances such as security interests on, the Company Shares to be tendered in the Tender Offer.

In addition, other than the MIRI Tendering Agreement, there are no other agreements between the Tender Offeror and MIRI regarding the Tender Offer, and other than the money that will be obtained by tendering shares in the Tender Offer, no consideration will be provided by the Tender Offeror to MIRI in connection with the Tender Offer

④ AVI Tendering Agreements

The Tender Offeror has agreed to execute the AVI Tendering Agreement with AVI as of today, and tender all of the Company Shares held by AVI Japan Opportunity Trust Plc and AVI Japanese Special Situations Fund, each operated by AVI, (number of shares held: 1,191,116 shares, ownership ratio: 8.85%) in the Tender Offer.

Otherwise, the overview of the AVI Tendering Agreement is as follows.

- There is no condition precedent for the tender under the AVI Tendering Agreement.
- (i) if the market price of the Company's shares exceeds the Tender Offer Price, and AVI wishes to tender its shares in the Counter Tender Offer or sell them on the market, or (ii) If there is a tender offer by a third party other than the Tender Offeror to acquire the common shares of the Company at a purchase price equivalent to a price that exceeds the Tender Offer Price by a certain amount (hereinafter referred to as a "Counter Tender Offer" in this item ④ AVI Tendering Agreement), which has commenced or a legally binding specific written proposal to conduct a Counter Tender Offer has been made to the Company, and the content of the proposal and the commencement of the Counter Tender Offer have been announced by the proposer or the Company, AVI will request consultations with the Tender Offeror and shall consult in good faith with the Tender Offeror until the earlier of the date that is five business days after the date of the request for consultation or the last day of the tender offer period in the Tender Offer. If such consultation is carried out, AVI will not make the tender or will withdraw its tender in the Tender Offer, and the shares subject to the tender in the Tender Offer may (i) be tendered in the Counter Tender Offer or (ii) be sold on the market at a price that exceeds the Tender Offer Price.
- In the AVI Tendering Agreement, MIRI has agreed with the Tender Offeror to the following covenants.
  - ① During the period after the execution date of the AVI Tendering Agreement to the Settlement Commencement Date, AVI will not, directly or indirectly, transfer, donate, pledge as collateral or otherwise dispose of the tendered shares, or enter into any other transaction that substantially conflicts with the Tender Offer or makes it difficult to execute the Tender Offer, or enter into any agreements related thereto, and will not propose, solicit, discuss, negotiate or provide information regarding such transactions. If AVI receives any information, proposal, solicitation, consultation or other offer regarding such a transaction from a third party, AVI will promptly notify the Tender Offeror of such fact and details thereof, and will discuss in good faith with the Tender Offeror on how to deal with the situation.
  - ② If a shareholders meeting of the Company is held after the execution date of the AVI Tendering Agreement and with a record date for the exercise of rights on a date prior to the Settlement Commencement Date, with regard to the exercise of voting rights and other rights relating to the tendered shares at such shareholders meeting, AVI will, at the Tender Offeror's option, (i) exercise such

rights in accordance with the Tender Offeror's instructions (including amending or revoking rights that have already been exercised), or (ii) lawfully and validly grant agency power to the Tender Offeror or a person designated by the Tender Offeror by issuing a proper power of attorney in the form and with the contents specified by the Tender Offeror, bearing the name and seal of an authorized person, and will not revoke the grant of such agency power.

③ After the execution date of the AVI Tendering Agreement, AVI will not exercise any of its shareholder rights, including the right to request the convening of the Company's shareholders meeting (Article 297 of the Companies Act), the right to propose agenda items at the Company's shareholders meeting (Article 303(1) and (2) of the Companies Act), or the right to propose resolutions a the Company's shareholders meeting (Article 304 and Article 305(1) of the Companies Act), without the prior written consent of the Tender Offeror.

④ Subject to the Tender Offeror announcing the planned commencement of the Tender Offer by December 19, 2024, AVI will cause AVI Japan Opportunity Trust Plc to withdraw all shareholder proposals in the shareholder proposal document dated October 10, 2024.

⑤ AVI will cause AVI Japan Opportunity Trust Plc, AVI Japanese Special Situations Fund and the shareholders listed on the shareholder register of the tendered shares to lawfully and validly take all measures necessary to fulfill the obligations set forth in this provision with respect to the tendered shares.

・ In the AVI Tendering Agreement, AVI has represented and warranted to the Tender Offeror as of the execution date of the AVI Tendering Agreement, the commencement date of the Tender Offer, and the Settlement Commencement Date, as to: (i) its existence and authority, (ii) possession of the authority and power necessary for the execution and performance of the AVI Tendering Agreement and the completion of the necessary procedures, (iii) enforceability of the AVI Tendering Agreement, (iv) absence of any conflict of laws and regulations by the execution and performance of the AVI Tendering Agreement, (v) acquisition by AVI of any permits or licenses necessary for the execution and performance of the AVI Tendering Agreement, (vi) absence of any cause for bankruptcy filing, (vii) absence of any relationship with anti-social forces, and (viii) lawful ownership of, and the absence of any encumbrances such as security interests on, the Company Shares to be tendered in the Tender Offer.

In addition, other than the AVI Tendering Agreement, there are no other agreements between the Tender Offeror and AVI regarding the Tender Offer, and other than the money that will be obtained by tendering shares in the Tender Offer, no consideration will be provided by the Tender Offeror to AVI in connection with the Tender Offer

5. Provision of Benefits by the Tender Offeror or its Special Affiliates

There are no applicable matters.

6. Policy for Responding to the Basic Policy on Corporate Control

There are no applicable matters.

7. Questions to the Tender Offeror

There are no applicable matters.

8. Request for Extension of the Tender Offer Period

There are no applicable matters.

9. Future Outlook

Please refer to "② Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer, and Post-Tender Offer Management Policies," in "(2) Grounds and Reasons for the

Opinion" in "3. Details, Grounds and Reasons for the Opinion on the Tender Offer," as well as "(4) Prospect of Delisting and Reasons Thereof" and "(5) Policies Regarding Organizational Restructuring Following the Tender Offer (Matters Related to a So-Called Two-Step Acquisition)."

10. Other

(1) Announcement of "Consolidated Financial Results for Fiscal Year Ended September 2024 (Prepared in Conformity with Generally Accepted Accounting Principles in Japan)"

The Company has announced the Company's Financial Results on November 7, 2024. The Company's profit and loss situation for the same period based on the details of the announcement is as follows. The details have not been audited by an auditing firm pursuant to the provisions of Article 193-2(1) of the Act. The summary of the details of the announcement provided below is an excerpt of the details announced by the Company, and the Tender Offeror has not independently verified the accuracy or veracity. For details, please refer to the announcement.

(i) Profit and loss status (consolidated)

Accounting period	Fiscal year ended September 2024
Net sales	25,428 million yen
Operating profit	2,401 million yen
Ordinary profit	2,221 million yen
Net income attributable to shareholders of parent company	1,351 million yen

(ii) Per share data (consolidated)

Accounting period	Fiscal year ended September 2024
Net assets per share	1,109.12 yen
Net income per share	111.06 yen

(2) Announcement of "Notice regarding dividends from surplus (no dividends)

The Company's board of directors resolved on December 19, 2024 not to pay final dividends for the fiscal year ending September 2025. For details, please refer to the announcement made by the Company today.

-END-

[Disclaimer]

[Soliciting Regulations]

This press release is a news statement intended for the announcement of the Tender Offer to the general public and is not intended for soliciting an offer to sell the shares in connection with the Tender Offer. If anyone desires to sell his or her shares, a shareholder should, at his or her own responsibility, carefully read the tender offer explanatory statement for the Tender Offer and accept the Tender Offer in his or her own discretion. This press release is not considered as an offer or solicitation of sale of securities or offer of purchase of securities and does not constitute any such part. This press release (or any part of it) or the fact of its distribution does not provide a basis for any kind of agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

[Regulations of the United States]

Although the Tender Offer will be conducted in compliance with the procedures and disclosure standards prescribed in the Financial Instruments and Exchange Act in Japan, such procedures and standards are not necessarily identical to those applicable in the United States. In particular, Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934 (as amended), and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer is not intended to comply with the procedures or standards set forth in any such provisions. All financial information contained or referenced in this press release and the reference documents of this press release is nor based on the U.S. accounting standards, may not be equivalent or comparable to the financial information prepared in accordance with U.S. accounting standards. In addition, because the Tender Offeror is a legal entity incorporated outside of the United States and some or all of its officers are not U.S. residents, it may be difficult to enforce any rights or make claims arising under the U.S. securities laws. Shareholders may not be able to commence legal proceedings against legal entities outside the United States and their officers in non-U.S. courts for violations of the U.S. securities laws. Furthermore, U.S. courts do not necessarily have jurisdiction over legal entities and their respective subsidiaries and affiliates outside the United States.

All procedures related to the Tender Offer shall be conducted entirely in the Japanese language. All or any part of the documents related to the Tender Offer is prepared in the English language. If there is any inconsistency between the English documentation and the Japanese documentation, the Japanese documentation shall prevail.

The financial advisor of the Tender Offeror and the Company (including their affiliates), the tender offer agent and their respective affiliates may, within their ordinary course of business, purchase, or conduct any act toward the purchase of, the shares of the common shares of the Company for their own account or for their customers' accounts outside the Tender Offer prior to the commencement of, or during, the period of the Tender Offer, etc. in accordance with the requirements of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934 to the extent permissible under the financial instruments and exchange laws in Japan. If any information concerning such purchase is disclosed in Japan, the person who made such purchase will disclose such information in English on its website.

[Forward-Looking Statements]

This press release includes "forward-looking statements" as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Actual results may differ substantially from future expectations or other express or implicit forward-looking statements due to known or unknown risks, uncertainties or other factors. Neither the Tender Offeror nor any of its affiliates promise that the projections, etc. expressed or implied as "forward-looking statements" will ultimately be accurate. The "forward-looking statements" in this press release have been prepared based on information available to the Tender Offeror as of the date hereof, and unless otherwise required by law or regulation, neither the Tender Offeror nor the Company (including their affiliates) will be responsible for updating or otherwise revising such forward-looking statements in order to reflect any future event or circumstances.

[Other Countries]

In certain countries or regions, the announcement, issue or distribution of this press release may be restricted by laws or regulations. In such cases, you are required to be aware of such restrictions and comply with the laws and

regulations of such countries or regions. The announcement, issuance or distribution of this press release does not constitute any solicitation of an offer to sell or offer to purchase shares in relation to the Tender Offer, and shall be considered as a mere distribution of informative materials.