November 14, 2024

To: Whom it may concern

Company Name: JTOWER Inc.

Representative: Atsushi Tanaka
Representative Director
(Securities code: 4485, TSE Growth Market)

Contact: Hideki Inanobe
Senior Executive Officer, CFO
(TEL: +81-03-6447-2614)

Notice Regarding Share Consolidation, and Abolition of Provisions on the Number of Shares Per Unit and Partial Amendments to the Company's Articles of Incorporation

The Company hereby announces that it has resolved at the board of directors meeting held today (the "**Board of Directors Meeting**") to convene an extraordinary general meeting of shareholders to be held on December 17, 2024 (the "**Extraordinary General Meeting of Shareholders**") and to submit to this Extraordinary General Meeting of Shareholders a proposal regarding share consolidation as well as a proposal regarding abolition of the provisions on the number of shares per unit and partial amendments to the Company's articles of incorporation.

Through the process of the above procedures, the Company's ordinary shares (the "**Company Shares**") will fall under the delisting standards provided in the Securities Listing Regulations of the Tokyo Stock Exchange (the "**TSE**"). As a result, the Company Shares will be designated as securities to be delisted from December 17, 2024 to January 6, 2025, and will then be delisted on January 7, 2025. Please note that the Company Shares cannot be traded on the TSE after the delisting.

I. Share consolidation

1 Purpose of and reasons for the share consolidation

As stated in "Notice Regarding Expression of Opinion in Support of the Tender Offer for the Company Shares, Etc. by DB Pyramid Holdings, LLC and Recommendation of Tender" released by the Company as of August 14, 2024 (the "**Notice**"), DB Pyramid Holdings, LLC (the "**Tender Offeror**") has determined to conduct a tender offer of the Company Shares and the Stock Acquisition Rights (see Note 1) as part of a series of transactions (the "**Transaction**") to take the Company private through the acquisition of all of the Company Shares listed on the Growth Market of the TSE (the "**Tokyo Stock Exchange Growth Market**") (including the Company Shares to be delivered upon the exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Company and the Non-tendered Shares (see Note 2)) and all of the Stock Acquisition Rights (the "**Tender Offer**").

(Note 1) "**Stock Acquisition Rights**" include the following stock acquisition rights.

(i) 7th series stock options (JTOWER Inc. – B1 (3rd) stock acquisition rights) issued based on the resolution at the Company's board of directors meeting held on November 25, 2015 (exercise period: from November 26, 2017 to November 25, 2025);

(ii) 9th series stock options (JTOWER Inc. – C2 (1st) stock acquisition rights) issued based on the resolution at the Company's board of directors meeting held on May 26, 2017 (exercise period: from

May 27, 2019 to May 26, 2027);

(iii) 12th series stock options (JTOWER Inc. – E2 (1st) stock acquisition rights) issued based on the resolution at the Company's board of directors meeting held on May 30, 2018 (the "**12th Series Stock Acquisition Rights**") (exercise period: from May 31, 2020 to May 30, 2028);

(iv) 14th series stock options (JTOWER Inc. – E2 (3rd) stock acquisition rights) issued based on the resolution at the Company's board of directors meeting held on June 26, 2019 (exercise period: from June 27, 2021 to June 26, 2029);

(v) 15th series stock options (JTOWER Inc. – E3 (1st) stock acquisition rights) issued based on the resolution at the Company's board of directors meeting held on August 21, 2019 (exercise period: from August 22, 2021 to August 21, 2029);

(Note 2) "**Non-tendered Shares**" mean all of the Company Shares held by Cultive Ltd. ("**Cultive**"), an asset management firm of Mr. Atsushi Tanaka, who is the Representative Director of the Company ("**Mr. Tanaka**", and collectively with Cultive, "**Mr. Tanaka et al**") (4,677,500 shares; ownership ratio (Note 3): 18.18%).

(Note 3) "**Ownership ratio**" means the percentage (rounded to the nearest two decimal places) of the difference in the number of shares (25,732,642 shares) obtained by deducting the number of treasury shares held by the Company as of June 30, 2024 (276 shares) from the number of shares (25,732,918 shares) obtained by adding the number of the Company Shares (600 shares) represented by 150 units of Stock Acquisition Rights (the 12th Series Stock Acquisition Rights), which is the total number of Stock Acquisition Rights exercised on or after June 30, 2024 through July 25, 2024 and the number of the Company Shares (30,300 shares) represented by 7,476 units, which is the total number of the Stock Acquisition Rights that are exercisable as of July 25, 2024, to the total number of issued shares of the Company as of June 30, 2024 (25,702,018 shares) as stated in the "Summary of Financial Results for the Three Months Ended June 30, 2024 (Japanese GAAP) (Consolidated)" released by the Company on August 14, 2024; the same applies to statements regarding ownership ratios below. The shares (14,700 shares) contributed as trust assets under the stock benefit trust (J-ESOP) system are not included in the treasury shares; the same applies below.

As stated in the "Notice Regarding Result of the Tender Offer for the Company Shares, Etc. by DB Pyramid Holdings, LLC and Changes in Parent Company, Largest Shareholder as a Major Shareholder, and Major Shareholders" released by the Company as of October 11, 2024, the Tender Offeror has conducted the Tender Offer during the tender offer period from August 15, 2024 until October 10, 2024 (the "**Tender Offer Period**") and has acquired 19,459,712 shares of Company Shares (ownership ratio: 75.62%) as of October 18, 2024, which was the commencement date of the settlement of the Tender Offer.

The details and background of the Tender Offer and the Share Consolidation (as defined blow) are as stated in the Notice, the summary of which is also provided below. The statement regarding the Tender Offeror below is based on the explanation given by the Tender Offeror.

Since around mid-March 2024, the Company has discussed how to raise additional funds to maximize the corporate value of the Company in the medium- to long-term, taking into account the management circumstances stated in " (2) Grounds and reasons for the opinion" "(II) Background, the purpose, and decision-making process leading the Tender Offeror to the determination to conduct the Tender Offer and the

management policy after the Tender Offer," "(i) Background, the purpose, and decision-making process leading the Tender Offeror to the determination to conduct the Tender Offer" in "3. Details of, and grounds and reasons for, the opinion on the Tender Offer" in the Notice. During the period from early April 2024 up to early May 2024, the Company has been contacted by more than one private equity funds including DigitalBridge (including its affiliates and related business entities; "**DigitalBridge**") (the "**Partner Candidate**") which expressed their interest in the privatization of the Company and the Company has held initial discussions with each private equity fund regarding the Company's future management policy and the measures to improve the corporate value of the Company.

Under such circumstances, considering that the Company received initial proposals from two private equity funds including DigitalBridge among the Partner Candidates concerning transactions including the privatization of the Company during the period from mid-April 2024 up to early May 2024, the Company decided that it was necessary to contemplate the privatization of the Company including whether the privatization of the Company shares should or not be an option for the company, for the medium- and long-term improvement of the corporate value of the Company.

Accordingly, in early May of 2024, the Company has appointed Nomura Securities Co. Ltd. ("**Nomura Securities**") as the Company's financial advisor and Anderson Mori & Tomotsune ("**AMT**") as the Company's legal advisor, which are independent from Nippon Telegraph and Telephone Corporation ("**NTT**"), KDDI Corporation and NTT DOCOMO, INC. ("**NTT DOCOMO**") (including their subsidiaries and affiliated companies; collectively, the "**Large Shareholders Grou**p"), the Partner Candidate, the Tender Offeror, Mr. Tanaka, who is the Company's CEO and the Company's shareholder, Cultive and the Company. Upon commencement of the selection process of partners for the Transaction (the "**Partner**") (the "**Process**"), while the Tender Offer does not fall under the category of a tender offer by a controlling shareholder, it is possible that the Partner Candidate executes a contract with each of the Large Shareholders Group concerning whether the Company Shares they own will be tendered or not upon the Tender Offer for the Transaction and there is a possibility that the interests of the Large Shareholders Group and the Company's general shareholders (meaning the "Minority Shareholders under Article 441-2 of the Securities Listing Regulations of the TSE and Article 436-3 of the Regulation thereof; the same shall apply hereinafter) do not necessarily coincide, and the Company thus started the development of an organization structure to discuss the Transaction and hold consultation from a standpoint independent from the Partner Candidate, the Tender Offeror, Large Shareholders Group, Mr. Tanaka et al, and the Company and whether the Transaction succeeds or not, in order to eliminate the arbitrariness in the Company's decision-making for the Transaction and the Process and to examine and determine the appropriateness of the Transaction and the Process and the terms thereof and the fairness of procedures including the Process, in view of the improvement of the corporate value and benefits of general shareholders.

Specifically, as provided below in "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", "(II) Independent special committee established, and a written report obtained, by the Company", from early May in 2024, the Company has started to work on the establishment of a special committee to discuss proposals of the Transaction consisting of independent outside directors and external experts (the "**Special Committee**"). On May 17, 2024, the Company has established the Special Committee consisting of Mr. Naoki Ota (the Company's independent outside director), Ms. Mutsuko Oba (the Company's independent outside director) and Mr. Akito Takahashi (external expert, Takahashi-Katayama Legal Office, attorney-at-law) (as for the background of the establishment of the Special Committee,

the details of discussion and determination, please see below "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", "(II) Independent special committee established, and a written report obtained, by the Company") and the Company asked the Special Committee (i) whether the purpose of the Transaction is considered reasonable (including whether the Transaction will contribute to the improvement of the Company's corporate value), (ii) whether the fairness and appropriateness of the terms of the Transaction are ensured (including the appropriateness of the method of Transaction and of considerations for the Transaction), (iii) whether the fairness is ensured for the procedures for the Transaction, (iv) considering (i) through (iii) above, whether it can be said that the Transaction is not disadvantageous for minority shareholders of the Company, and (v) if the Transaction involves a tender offer for Company Shares by any third party, whether the Company's Board of Directors should express its approval to such tender offer and encourage the Company's shareholders to tender their shares for such tender offer or not (collectively, the "**Consulted Issues**") (provided, however, that as for (v) above, the Company additionally asked such question at the Board of Directors meeting on July 16, 2024, after the Partner Candidate submitted a proposal following the increased likelihood that the Transaction involves a tender offer for the Company Shares by a third party). Upon the establishment of the Special Committee, the Company's Board of Directors resolved that (i) the Company's Board of Directors' decision-making for the Transaction shall be conducted with maximum respect for decisions of the Special Committee including the approval and disapproval for the tender offer and (ii) if the Special Committee deems that the terms of the Transaction are not appropriate, the Company's Board of Directors will not resolve to conduct the Transaction. Furthermore, the Company's Board of Directors resolved to grant the Special Committee (i) the authority to appoint or approve (including retrospective approval) experts including the Company's financial advisors and legal advisors (collectively, the "**Advisors**"), (ii) if the Special Committee deems it necessary for reviewing Consulted Issues, the authority to appoint its Advisors (the Company shall bear reasonable expenses for the Special Committee to receive expert advice from its Advisors), (iii) the authority to receive information necessary for review and decision-making for the Transaction from the Company's officers or employees or other parties that the Special Committee deems necessary, and (iv) the authority to be substantially involved in the consultation process on the terms of the Transaction by confirming the consultations upon the terms of the Transaction in advance, receiving timely report of the consultation, expressing opinions and giving instructions or demands at important stages. As provided below in "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", "(II) Independent special committee established, and a written report obtained, by the Company", in early June of 2024, based on its authority above, after considering the necessity of an independent third-party calculation agent appointed specifically for the Special Committee, in order to establish a system to more prudently determine the appropriateness of the terms and conditions of the Transaction, the Special Committee has decided to appoint CPA Partners ("**CPA Partners**" as a third-party calculation agent, independent from the Partner Candidate, the Tender Offeror, the Large Shareholders Group, Mr. Tanaka et al and the Company. On May 2022, 2024, as provided below in "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", "(II) Independent special committee established, and a written report obtained, by the Company" the Company has confirmed that the there is no issue with the independence and expertise of Nomura Securities, the Company's financial advisor and third-party calculation agent, and AMT, the Company's legal advisor and obtained the

approval for such appointment at the Special Committee.

Having received advice from Nomura Securities regarding the consultation with the Partner Candidate and other financial aspects as well as guidance and legal advice from AMT regarding how to ensure the fairness in the procedures for the Transaction, the Company had carefully considered options to further improve the medium- to long-term the corporate value of the Company and maximize the benefits for the Company's minority shareholders. As a result, in late May 2024, the Company has determined that, in order to accelerate the Company's future growth and to maximize the benefits for the Company's minority shareholders, it is desirable to conduct a tender procedure for the acquisition of the Company Shares for the Partner Candidate, who has expressed a strong interest in the Company's business. For a comparative review of the Partner Candidate in the tender procedure, the Company has decided that it is desirable to make a comprehensive decision from the viewpoint not only of the tender offer price, but the plausibility of the content of a proposal, the preconditions for raising funds, the management strategy after the Transaction and the support system therefor, in consideration of the improvement of the medium- to long-term the corporate value of the Company.

In late May of 2024, the Company made an approach in writing regarding the participation in the Process to two private equity funds among the Partner Candidate including DigitalBridge, which has submitted an initial proposal on transactions including the privatization of the Company and therefore started the Process. The Company has, in early June 2024, received initial proposal on the privatization of the Company from one private equity fund other than the two companies described above. However, as a tender offer price proposed in such initial proposal was significantly lower than the purchase prices per Company Share (the "**Tender Offer Price**") proposed in the initial proposal from the two private equity funds above, the Company has decided not to include such private equity fund above in the Process, after obtaining an approval from the Special Committee.

After the commencement of the Process, for six weeks from late May to mid-July in 2024, the Partner Candidate had multiple meetings with the Company's management for conducting a due diligence on the Company and its eight consolidated subsidiary companies (collectively, the "**Company Group**") in terms of its business, finance and tax and legal matters and for having a detailed understanding of the Company Group. On July 8, 2024, the Company received a proposal on the Transaction from two of the Partner Candidate including DigitalBridge.

In the view of the tender offer price, but the plausibility of the content of a proposal, the preconditions for raising funds, the conditions for borrowing upon the Transaction, the management strategy after the Transaction and the support system therefor, the Company has carefully conducted a comparative review of the proposals received from the two companies above. As a result, the Company has determined that conducting the Transaction with DigitalBridge as the Partner may contribute more to the improvement of the medium- to long-term the corporate value of the Company, as the Partner Proposal offered by DigitalBridge was superior in terms of the plausibility of the content of a proposal, the preconditions for raising funds, the management strategy after the Transaction and the support system therefor and that the terms of the Transaction with the Partner including the Tender Offer Price are possibly the best for the benefits of the Company's shareholders. Therefore, on July 9, 2024, the Company has started further consultation and discussion with DigitalBridge aiming for the implementation of the Transaction with DigitalBridge. While the possibility of the privatization of the Company was also mentioned in the proposal received from the other company of the Partner Candidate, the precondition for the privatization is that the Company achieves multiple growth targets, and the achievement of these growth targets is not certain and the content of the proposal was highly uncertain, stating only that the company wished to discuss the possibility of privatization during twelve months after August 14, 2024. The Company thus determined that the plausibility of the realization of the proposal was low and decided to proceed with

consultation and discussion with DigitalBridge for the Transaction, after obtaining an approval from the Special Committee.

While a non-legally binding letter of intent which the Company received from DigitalBridge as of July 8, 2024 (the "**Partner Proposal**") that the Company received from DigitalBridge included the statement that the Tender Offer Price shall be 3,500 Japanese yen (a premium of 113.68% over the closing price of the Company Shares at the Tokyo Stock Exchange Growth Market on July 5, 2024, which was the immediately preceding business day, 1,638 Japanese yen), there was no reference to the purchase price per one unit of the Stock Acquisition Rights (the "**Stock Acquisition Right Purchase Price**"). Since July 8, 2024, the Company has closely reviewed the Partner Proposal and determined that, in addition to the fact that the Partner Proposal is not legally binding, the Partner Proposal did not contain sufficient information, regarding the matters including the shareholder composition of the Company after the Transaction, the future shareholding policy and the preconditions for the implementation of the Transaction, to judge whether conducting the Transaction with DigitalBridge as the Partner is beneficial for the improvement of the medium- to long-term the corporate value of the Company and whether the terms of the Transaction with the Partner is the best for the benefits of the Company's shareholders. Therefore, on July 9, 2024, the Company has, taking into account the results of the share value estimation of the Company Shares by Nomura Securities and CPA Partners and the trend of the market price of the Company Shares, and also considering the Special Committee's opinion. requested DigitalBridge to consider a raise in the Tender Offer Price in view of the benefits of the Company's minority shareholders, on the ground that the Tender Offer Price proposed by DigitalBridge cannot be believed to sufficiently reflect the intrinsic value of the Company Shares and is below the price level estimated by the Special Committee, and to newly submit a legally-binding proposal that contains a more detailed description on the shareholder composition of the Company after the Transaction, the future shareholding policy and the preconditions for the implementation of the Transaction.

On July 16, 2024, the Company received from DigitalBridge after such request a legally-binding letter of intent that set the Tender Offer Price shall remain at 3,500 Japanese yen (a premium of 107.72% over the closing price of the Company Shares at the Tokyo Stock Exchange Growth Market on July 12, 2024, which was the immediately preceding business day, 1,685 Japanese yen) and contained statements on the terms and conditions of the Transaction (the "**Second Partner Proposal**") on the ground that no material information that requires a review of the previously proposed price in the Partner Proposal. After closely reviewing the Second Partner Proposal, taking into account the Special Committee's opinion, on July 18, 2024, the Company has requested DigitalBridge to raise the Tender Offer Price in view of the benefits of the Company's minority shareholders, on the ground that such Tender Price still cannot be believed to sufficiently reflect the intrinsic value of the Company Shares and is below the price level estimated by the Special Committee.

On the other hand, the Company received a proposal from the other Partner Candidate and reviewed the plausibility of the content of such proposal again after July 9, 2024, conducting an oral interview with such Partner Candidate regarding the details and background of such proposal. However, in terms of both the Tender Offer Price and the implementation of the Transaction, the Company determined that the plausibility of such proposal from the other Partner Candidate was low and as of July 18, 2024, decided not to proceed with consultation and discussion with such Partner Candidate. While the Company received a proposal from such Partner Candidate July 24, 2024 with detailed description on its proposal, the Company has again determined not to proceed with consultation and discussion with such Partner Candidate as of July 30, 2024 after obtaining an approval from the Special Committee, as the plausibility of the content of the proposal was still low, even after taking into account the content of a newly held oral interview.

As of July 29, 2024, the Company received a legally-binding proposal from DigitalBridge above that contained the statement that the Tender Offer Price shall be 3,550 Japanese yen (a premium of 112.96% over the closing price of the Company Shares at the Tokyo Stock Exchange Growth Market on July 26, 2024, which was the immediately preceding business day, 1,667 Japanese yen) (the "**Third Partner Proposal**"). The Company has closely reviewed the Third Partner Proposal thereafter and based on the Special Committee's opinion, and the Company orally requested on July 30, 2024 and made a written request to that effect on July 31, 2024 that DigitalBridge consider raising the Tender Offer Price to the level of 3,600 Japanese yen per share in the Third Partner Proposal to ensure that the interests of the Company's minority shareholders are fully considered.

On July 31, 2024, the Company received a legally-binding proposal from DigitalBridge in response to the above request, which included a proposal to set the Tender Offer Price at 3,600 Japanese yen (a premium of 120.45% over the closing price of the Company Shares at the Tokyo Stock Exchange Growth Market on July 30, 2024, which was the immediately preceding business day, 1,633 Japanese yen) and the Stock Acquisition Right Purchase Price at 1 Japanese yen (the "**Fourth Partner Proposal**"). After that date, the Company carefully examined the contents of the Fourth Partner Proposal and, based on the opinions of the Special Committee, on August 6, 2024, the Company responded to DigitalBridge in writing that it would accept the contents of the Fourth Partner Proposal on the condition that there would be no significant changes in the market environment for the Company Shares or in the circumstances regarding the Transaction and on the grounds that the Tender Offer Price in the Fourth Partner Proposal was a reasonable price that secured the interests of the Company's minority shareholders and that the Tender Offer would provide a reasonable opportunity to sell the Company Shares.

On August 13, 2024, the Company has received a written report from the Special Committee (the "**Written Report**"), which stated that, as the Special Committee understands that (i) the purpose of the Transaction including the Tender Offer is reasonable (the Transaction will be beneficial to the improvement of the corporate value of the Company), (ii) the fairness of the procedures for the Transaction is ensured, (iii) the fairness and appropriateness of the terms of the Transaction (including the appropriateness of the method of the Transaction and the consideration for the Transaction) are ensured, and (iv) based on (i) through (iii) above, the Transaction is not disadvantageous to the Company's minority shareholders, at the moment, it is reasonable for the Company's board of directors to express its approval to the Tender Offer and encourage the Company's shareholders to tender their shares for the Tender Offer (with regard to the Stock Acquisition Rights, to leave it to the discretion of the holders of Stock Acquisition Rights (the "**Stock Acquisition Right Holders**") to participate in the Tender Offer) (accordingly, the decision by the Company's board of directors to (i) express its approval to the Tender Offer and encourage the Company's shareholders to tender their shares for the Tender Offer (with regard to the Stock Acquisition Rights, to leave it to the discretion of the Stock Acquisition Right Holders to participate in the Tender Offer) and (ii) implement the Squeeze-Out Process (Note) by means of a reverse stock split after the Tender Offer will not be disadvantageous to the Company's minority shareholders) and there is no particular issue to the contrary at the moment (for the details of the Written Report, please see "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", "(II) Independent special committee established, and a written report obtained, by the Company" below).

(Note) "**Squeeze Out Procedures**" mean a series of procedures to be conducted following the successful completion of the Tender Offer if the Tender Offeror is unable to acquire all of the Company Shares (including the Company Shares to be issued upon the exercise of the Stock Acquisition Rights, but

excluding the treasury shares held by the Company and the Non-tendered Shares) and all of the Stock Acquisition Rights through the Tender Offer, for the purpose of making the Tender Offeror and Cultive the only shareholders of the Company.

Based on the above background, at the Board of Directors meeting held on August 14, 2024, the Company has, taking into account the legal advice from AMT, financial advice from Nomura Securities and Share Valuation Report (Nomura Securities) (as defined below) and the Share Valuation Report (CPA Partners) (as defined below), and with maximum respect to the Special Committee's decision stated in the Written Report, conducted a comparative review and consultation on whether the Transaction would contribute to the improvement of the corporate value of the Company and whether the selection of Partner from among Partner Candidate and the terms of Transaction including Tender Offer Price with the Partner is reasonable. As a result, the Company has come to the conclusion that the Transaction with DigitalBridge as the Partner will contribute to the medium- to long-term improvement of the corporate value of the Company and the terms of Transaction including Tender Offer Price with the Partner is best for the benefits of the Company's minority shareholders.

As described in "(2) Grounds and reasons for the opinion", "(II) Background, the purpose, and decision-making process leading the Tender Offeror to the determination to conduct the Tender Offer and the Management Policy after the Tender Offer", "(i) Background, the purpose, and decision-making process leading the Tender Offeror to the determination to conduct the Tender Offer", in "3. Details of, and grounds and reasons for, the opinion on the Tender Offer" in the Notice, regarding the management environment around the Company Group, it is our understanding that since 2020, data traffic and infrastructure costs have significantly increased in Japan, with the launch of the 5G (Note 2) services by mobile phone network providers (Note 1). In the Japanese telecommunications industry, in addition to the deployment of new communication technologies for Beyond 5G and 6G, the burden on telecommunications carriers is expected to continue to increase due to the expansion of the coverage area required not only for disaster response and rural areas (Note 3) on land, but also for the sky, sea, and outer space. As a result, the need for efficient infrastructure development has increased among telecommunications companies, and the demand for infrastructure sharing is also increasing as a means to reduce capital investment and operating costs. Government support measures including subsidies for the "development of cellular phone service coverage areas" which were started in 2005 by the Ministry of Internal Affairs and Communications for the development of telecommunication infrastructures in rural areas are also advancing measures to improve the telecommunication environment in rural areas, with the infrastructure sharing business operators designated as eligible for such support since 2021, which we believe has further increased the importance of infrastructure sharing as a measure to improve the telecommunication environment effectively. With increased attention to the sustainability in recent years, as telecommunications companies are also required to reduce environmental footprint and effectively use resources, it is our understanding that the sharing of infrastructure has come to receive attention as a measure to protect the environment by avoiding the installation of similar facilities. In addition, as the population continues to decline, the Company understands that a major issue is how to maintain and operate communication infrastructure in a stable manner with limited human resources. In this context, there is a growing need to improve the efficiency of indoor and outdoor network development and the maintenance and operation of communication infrastructure through infrastructure sharing, and the Company believes that the existence of infrastructure sharing business operators with sufficient systems and technical capabilities to take on this role is essential for the development of the telecommunications industry.

Under such circumstances, the demand for the Company Group's business of infrastructure sharing is expected

to expand with a wider use of 5G in Japan, as the need for the development of telecommunication infrastructure becomes urgent. In addition, the Company believes that the initiatives of mobile network operators to share infrastructures related to cell towers (Note 4), which have been publicly released, will also lead to opportunities to use the Company's cell tower-related infrastructures. In order for the Company to maintain its share and continue to meet the growing demand in the market, we believe that it is necessary to accelerate the introduction of shared equipment developed by the Company for the infrastructure of cell tower-related in large facilities in the Domestic IBS Business (Note 5) and Overseas IBS Business (Note 6) and concurrently proceed with the construction of new communication towers and with carve-outs from telecommunications companies with respect to the tower business (Note 7). We also wish to consider the development that specialize in joint development to meet the growing demand through the infrastructure sharing of cell tower-related infrastructure between mobile network operators.

However, to realize the growth of the domestic IBS Business and the Tower Business, which are the Company's main business, it is necessary to meet the financial demand continuously with agility. Specifically, as described above, in the Domestic IBS Business, it is required to develop and expand the cell tower-related infrastructures in large facilities such as commercial facilities, complexes, office buildings and medical facilities and capital investment to meet this demand will be essential. The Company is also engaged in upgrading of the sharing area such as the sharing of radio units (Note 8) or fronthaul (Note 9) in order to increase the efficiency of the telecommunication infrastructures and to provide high-quality services and the Company believes a continuous investment for such development is also highly important. In the Tower Business, it is required to continuously construct communication towers and conduct a carve-out from telecommunications companies, for which the demand for funds is expected to be high.

However, since there is a possibility that our ability to raise funds from the stock market may be restricted and the stock market has a tendency to prioritize a short-term profitability, we believe that it is difficult to make upfront investments for future growth. On the other hand, as the Company received a legally-binding proposal from DigitalBridge in the Third Partner Proposal that DigitalBridge is prepared to provide additional equity capital for the full back-up of funding necessary for the growth of the Company Group after the Transaction, specifically for capital and development investments in the Domestic IBS Business and the Tower Business, aimed at achieving the long term 'Vision' outlined in the 'Medium to Long-Term Outlook for JTOWER' disclosed by the Company on May 9, 2024. and by taking the Company private, we believe that we will be able to raise funds for the growth in an agile and stable manner through DigitalBridge and become able to respond flexibly to future additional funding needs and to make upfront investments in the long term, and as a result, we will be able to appropriately seize growth opportunities in the infrastructure sharing market and further increase the speed of business growth. We also believe that the DigitalBridge's understanding and access to know-how on the formation of debt financing will enable us to raise funds more effectively for the Company Group's business.

(Note 1) "**Mobile network operator**" means a business operator that has acquired approvals and licenses on radio utilization from the relevant authorities, and owns and operates large-scale infrastructures to provide mobile phone within its coverage area.

(Note 2) "**5G**" is an abbreviation of "5th Generation Mobile Communication System", and means the wireless communication system following 1G, 2G, 3G, and 4G which is compliant with the "IMT-Advanced" Standard specified by International Telecommunication Union (ITU). As compared with 4G, 5G enables high-speed and high-capacity communication. In Japan, operation of 5G for the general public has started in March 2020.

(Note 3) "**Rural areas**" mean areas which are under unfavorable conditions such as remote islands with small populations and hilly and mountainous areas in which it is difficult for a single telecommunications company to secure profit from cell towers.

(Note 4) A "**cell tower**" means equipment or place to transmit and receive radio waves directly by facilitating wireless communication with mobile communication devices such as mobile phones.

(Note 5) "**Domestic IBS Business**" means the business of sharing cell tower-related infrastructures in large-scale facilities including commercial facilities, multifunction complexes, office buildings, and medical facilities in Japan. "**IBS**" is an abbreviation of "In-Building-Solution" and means commoditizing in-building network equipment such as commercial facilities, multifunction complexes, office buildings, and medical facilities by infrastructure sharing.

(Note 6) "**Overseas IBS Business**" means the business of sharing cell tower-related infrastructures in large-scale facilities outside Japan.

(Note 7) "**Tower business**" means the business of sharing cell tower-related infrastructures such as an outdoor steel tower in Japan.

(Note 8) "**Radio Unit**" means a communication device that performs the functions of transmitting and receiving radio waves to and from a terminal and converting signals between analog and digital in a mobile network operators' network.

(Note 9) "**Fronthaul**" means an optical fiber network connecting a master station and a slave station of a radio unit in a mobile communications network (a telecommunications system in which one or both terminals can move).

In addition to the above, the Company believes that through the DigitalBridge's network of business partners with extensive experience in the Company's business field, its global best practice in the tower business, its business know-how, and its collaboration with major telecommunication companies around the world, it will be possible to acquire world-class business best practice and potential business opportunities for the Company Group's business, which will contribute to the medium- to long-term improvement of the corporate value of the Company. Even after the Transaction, since it is expected that Cultive, which is an asset manager of Mr. Tanaka, the Company's CEO, continues to be involved in the management as a shareholder holding 18.8% of the Company's voting rights and the current management structure of the Company will be maintained in principle and that the current management continues to play a leading role in the Company's management, we believe that the Company can conduct measures for the medium- to long-term improvement of the corporate value of the Company while maintaining the continuity of the Company's previous management policy, by fully utilizing DigitalBridge's knowledge and resources as described above and taking into account the knowledge and experience of Mr. Tanaka and the Company's current management in the Company's business. It is our understanding that, if the Company continues to be listed, it will difficult to focus on developing measures to create synergy effects as described above and drastic business reforms aimed at the medium- to long-term improvement of the corporate value of the Company, due to consideration for the impact on share price and the burden of information disclosure in accordance with laws and regulations and rules for relevant financial instruments exchanges. However, by taking the Company private by the Transaction, it will be possible to make more strategic decisions without bearing burden of consideration of the impact on the stock price or the disclosure in accordance with the laws and regulations of financial instruments exchange rules, which will enable the Company to focus its management resources on such decision-making in a more effective manner.
Possible general disadvantages to be caused by the privatization of the Company upon the Transaction include,

by losing the status of a listed company, (i) difficulty in raising funds through equity financing at the capital market, (ii) the loss of the status as a listed company works adversely for the recruitment or retention of employees, and (iii) a decline in creditworthiness for business partners and other stakeholders. However, the Company believes that disadvantages of the privatization of the Company will be limited, on the ground that that regarding (i) above, it is possible to raise funds with agility in a stable manner by preparing a structure to receive additional equity capital from DigitalBridge as described above, that regarding (ii), as the Company has established its position as a pioneer in the infrastructure sharing in Japan, the negative impact on recruitment and retention of employees resulting from the delisting will be limited, that regarding (iii), as our position and strength in Japan as a pioneer in the infrastructure sharing will remain unchanged and the Company's business is a so-called business-to-business business, it can be believed that the privatization will not lead to a decline our creditworthiness for stakeholders including business partners.

By the following reasons, the Company has determined that the Tender Offer Price and other terms of the Tender Offer are appropriate and the Tender Offer will be a reasonable opportunity for the Company's shareholders at a price with a reasonable premium and on reasonable terms to sell the Company Shares.

(A) The Tender Offer Price is determined through careful consultation and agreement with DigitalBridge after taking sufficient measures to ensure the fairness of the terms of Transaction including the Tender Offer Price as provided below in "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", and implementing the Process with a substantial involvement of the Special Committee, which is independent from the Partner Candidate, the Tender Offeror, the Large Shareholders Group, Mr.Tanaka et al and the Company.

(B) The Tender Offer Price is within the range of the valuation results by the average market price method and the discounted cash flow method (the "**DCF Method**"), among the share valuation results of the Company Shares by Nomura Securities stated below in "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", "(III) Obtainment of share valuation report by the Company from an independent third-party calculation agent".

(C) The Tender Offer Price is within the range of the valuation results by the market price method and the DCF Method, among the share valuation results of the Company Shares by CPA Partners stated in "(3) Matters concerning calculation", "(II) Obtainment of share valuation report by the Special Committee from an independent third-party calculation agent" in "3. Details of, and grounds and reasons for, the opinion on the Tender Offer" in the Notice.

(D) The amount of the Tender Offer Price is an amount adding 161.82% premium over 1,375 Japanese yen, which is the closing price of the Company Shares at the Tokyo Stock Exchange Growth Market as of August 13, 2024, the immediately preceding business day of the public announcement of the Tender Offer, 135.29% premium over 1,530 Japanese yen, which is the simple average of the closing prices during the past one month (from July 16, 2024 until August 13, 2024) (rounded to the first decimal place; the same applies to the following simple average closing prices), 113.27% premium over 1,688 Japanese yen, which is the simple average of the closing prices during the past three months (from May 14, 2024 until August 13, 2024), and 30.15% premium over 2,766 Japanese yen, which is the simple average of the closing prices during the past six months (from February 14, 2024 until August 13, 2024); and although the premium level of the simple average of the closing prices during the past six months (30.15%) is lower than the premium level (62.18%) in the past cases similar to the Transaction, the premium level of the closing price

as of the immediately preceding business day of the public announcement of the Tender Offer and the premium level of the simple average of the closing prices during the past one month and the past three months (161.82%, 135.29% and 113.27%, respectively) superior to the premium level of other past 58 cases similar to the Transaction (58.65%, 59.74% and 60.92%, respectively) aimed at the privatization of shares of a listed company, which was published on and after June 28, 2019, where the METI issued the Fair M&A Guidelines, until August 13, 2024 was implemented (excluding the cases of MBO cases, the cases in which the target company is a consolidated subsidiary or an affiliated company of the tender offeror's group, and the cases in which the premium is negative), (the average premium is 58.65% on the immediately preceding business day of the announcement, 59.74% for the past one month, 60.92% for the past three months, and 62.18% for the past six months). Although the Tender Offer Price is lower than the issue price (4,973 Japanese yen per share) for the issuance of new shares by way of overseas offering (the "**Overseas Offering**") resolved at the meeting of the board of directors of the Company held on February 16, 2024, the Company believes that it is appropriate to refer to the premium for the periods other than the most recent six months of the above periods, because the Company's current share price is based on information such as the consolidated earnings forecast for the fiscal year ending March 2025 in the Financial Results for the fiscal year ended March 31, 2024 Japanese GAAP (consolidated) disclosed by the Company on May 9, 2024, after the implementation of the Overseas Offering.

(E) Measures to ensure the fairness of the Tender Offer stated below in "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation ", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest" have been taken and it is recognized that the benefits of general shareholders are protected.

(F) As stated below in "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation ", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", (II) Independent special committee established, and a written report obtained, by the Company", it is determined in the Written Report by the Special Committee, which is independent from the Partner Candidate, the Tender Offeror, the Large Shareholders Group, Mr. Tanaka et al and the Company, that the terms of the Transaction including the Tender Offer Price are appropriate.

Accordingly, the Company, as a pioneer in the infrastructure sharing, believes that strengthening its management base by adding DigitalBridge as our new partner will contribute to the further improvement of the corporate value of the Company in the medium- to long-term, as we aim to contribute to the development of the Japanese telecommunications industry by establishing an infrastructure sharing market and has resolved at the Board of Directors meeting held on August 14, 2024 that the Company approves the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer. As for the Stock Acquisition Rights, the Company has resolved to leave it to the discretion of the Stock Acquisition Right Holders to participate in the Tender Offer, as the purchase price of Stock Acquisition Right is set at one Japanese yen. Such resolution of the Company's Board of Directors meeting was made on the assumption that the Tender Offeror intends to take the Company private through the Tender Offer and its subsequent series of procedures and that the Company Shares will cease to be listed.

For the details of the resolution of the Company's Board of Directors meeting, please see "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation ", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", "(VII) Approval of all directors of the Company with no interest in the Transaction, and no objection to the transaction from all company auditors of the Company with no interest in the Transaction"As stated above, the Tender

Offer has been completed, but the Tender Offeror could not acquire all of the Company Shares (including the Company Shares to be issued upon the exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Company and the Non-tendered Shares). Accordingly, pursuant to the policy stated in the Notice, the Company has resolved at the Board of Directors Meeting that the Company will, as stated below in "2.Overview of the share consolidation", conduct the consolidation of the Company Shares at a ratio of one share per 2,338,750 shares of Company Shares for the purpose of making the Tender Offeror and Cultive the only shareholders of the Company and taking the Company private (the "**Share Consolidation**"), subject to approval by the Company's shareholders at this Extraordinary General Meeting of Shareholders. Therefore, the Company has resolved to submit proposals on the Share Consolidation to this Extraordinary General Meeting of Shareholders.As a result of the Share Consolidation, the number of Company Shares to be held by the Company's shareholders other than the Tender Offeror or Cultive will be a fraction less than one share.

2 Overview of the share consolidation

(1) Schedule of the share consolidation

(I) Date of public notice of the record date of the extraordinary general meeting of shareholders	October 15, 2024 (Tuesday)
(II) Record date of the extraordinary general meeting of shareholders	October 30, 2024 (Wednesday)
(III) Date of resolution of the board of directors meeting	November 14, 2024 (Thursday)
(IV) Date of the extraordinary general meeting of shareholders	December 17, 2024 (Tuesday) (scheduled)
(V) Date of designation as securities to be delisted	December 17, 2024 (Tuesday) (scheduled)
(VI) Last day of purchase and sales of the Company Shares	January 6, 2025 (Monday) (scheduled)
(VII) Date of delisting of the Company Shares	January 7, 2025 (Tuesday) (scheduled)
(VIII) Effective date of the share consolidation	January 9, 2025 (Thursday) (scheduled)

(2) Details of the share consolidation

(I) Class of shares to be consolidated

Ordinary shares

(II) Consolidation ratio

2,338,750 shares of the Company Shares will be consolidated into one share.

(III) Total number of issued shares to be reduced

25,730,351 shares

(Note 1) "Total number of issued shares to be reduced" is calculated based on the number of shares obtained by deducting the number of treasury shares held by the Company as of November 8,

2024 scheduled to be retired as of January 8, 2025 as resolved at the Board of Directors Meeting (556 shares) from the number of shares obtained by adding the number of the Company Shares (3,300 shares) represented by 825 units of Stock Acquisition Rights, which is the total number of Stock Acquisition Rights exercised on or after September 30, 2024 through November 8, 2024 and the number of the Company Shares (4,400 shares) represented by 1,100 units of Stock Acquisition Rights, which is the total number of Stock Acquisition Rights expected to be exercised on or after November 8, 2024 through the effective date of the Share Consolidation to the total number of issued shares of the Company as of September 30, 2024 (25,723,218 shares) as stated in the "Summary of Financial Results for the Three Months Ended September 30, 2024 (Japanese GAAP) (Consolidated)" released by the Company on November 14, 2024 (25,730,918 shares) (25,730,362 shares. the "Standard Number of Shares").

(IV) Total number of issued shares before the effectuation

25,730,362 shares

(Note 2) "Total number of issued shares before the effectuation" represents the Standard Number of Shares. Since the Company resolved at the Board of Directors Meeting to retire 556 shares of its treasury shares (representing all of the treasury shares held by the Company as of November 8, 2024) as of January 8, 2025, the "total number of issued shares before the effectuation" indicates the total number of issued shares after such retirement. Such retirement of treasury shares is subject to the proposal regarding the Share Consolidation being approved and adopted as originally proposed at this Extraordinary General Meeting of Shareholders.

(V) Total number of issued shares after the effectuation

11 shares

(VI) Total number of authorized shares as of the effective date

44 shares

(VII) Method of treatment in the case where fractions of less than one share occur and the amount expected to be distributed to shareholders as a result of such treatment

(i) Whether the handling of fractions provided under Article 235, Paragraph 2 of the Companies Act or Article 234, Paragraph 2 of the same Act as applied mutatis mutandis will be applied and the reasons therefor

As stated in "1. Purpose of and reasons for Share Consolidation", the number of the Company Shares to be held by the Company's shareholders other than the Tender Offeror or Cultive after the Share Consolidation fractions less than one share.

With respect to the total number of fractions of less than one share that occurred as a result of the Share Consolidation (if there is any fraction of less than one share in such total number, such fraction shall be rounded down), the number of shares equivalent to such total number shall be sold and the proceeds of such sale will be distributed to the Company's shareholders in proportion to fractional shares they owned. Considering the fact that such sale is conducted as part of the Transaction for the purpose of making the Tender Offeror and Cultive the only

shareholders of the Company and taking the Company private and that the Company Shares will cease to be listed as of January 7, 2025 and be shares without a market price and the possibility of a purchase offer through an auction is low, in accordance with the provisions of Article 235, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the "**Companies Act**") or Article 234, Paragraph 2 of the same Act as applied mutatis mutandis, such shares will be sold to the Tender Offeror with the permission of the court.

In such case, when the aforementioned permission of the court is obtained as scheduled, the amount of the sale will be the amount that would enable the distribution to the Company's shareholders of cash equivalent to the amount obtained by multiplying the number of shares owned by each shareholders of the Company listed or recorded on the Company's final register of shareholders as of January 8, 2025, the date immediately preceding the effective date of the Share Consolidation by 3,600 Japanese yen, which is the same amount as the Tender Offer Price. However, in the case where the permission of the court could not be obtained or adjustments of fractions are required, the distribution amount may differ from the amount described above.

(ii) Name of a person expected to purchase the shares sold

DB Pyramid Holdings, LLC (Tender Offeror)

(iii) Method for the purchaser of the shares to secure the funds for the payment of the purchase price and the reasonableness of such method

The Tender Offeror plans to fund the execution of Transaction including the acquisition of the Company Shares equivalent to the total number of fractions resulting from the Share Consolidation through a monetary contribution by DB Pyramid Holdings, LP, which is the only member of the Tender Offeror.

The Company has confirmed a certificate of such payment and according to the Tender Offeror, no event has occurred that could affect the payment for the sale of the Company Shares equivalent to the total number of fractions resulting from the Share Consolidation and the Tender Offeror is not aware of any possibility of such event.

Accordingly, the Company has determined that the method for the purchaser of the shares to secure the funds for the payment of the purchase price is reasonable.

(iv) Expected timing of the sale and distribution of sales proceeds to shareholders

After the Share Consolidation becomes effective, the Company intends to file an application with the court around late January of 2025 pursuant to Article 235, Paragraph 2 of the Companies Act or Article 234, Paragraph 2 of the same Act as applied mutatis mutandis for the permission to sell the Company Shares equivalent to the total number of fractions resulting from the Share Consolidation and the purchase of such Company Shares by the Tender Offeror. While the timing for obtaining such permission may vary depending on the circumstances of the court, the Company plans to sell such Company Shares through the purchase by the Tender Offeror around mid-February, 2025 and subsequently to distribute the sales proceeds to the Company's shareholders around mid-April, 2025 after making necessary preparation for such distribution.

Taking into consideration the period required for a series of procedures from the effective date of the Share Consolidation until the sale of shares, the Company has determined that the sale of the total number of fractions resulting from the Share Consolidation and the purchase of such Company Shares will be conducted and the sales proceeds will be distributed to the Company's shareholders at respective timings as described above.

3 Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation

(1) Grounds and reasons for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares

(I) Matters given due consideration in the case where there is a parent company so as not to harm the interests of Company's shareholder other than the parent company

Since the Share Consolidation is conducted as a second-stage procedure of a so-called two-step acquisition after the Tender Offer, the Company is not a subsidiary of the Tender Offeror as of the date of the public announcement of the Tender Offer and the Tender Offer is not a tender offer by a controlling shareholder. A direct or indirect contribution by all or part of the Company's management to the Tender Offeror is not planned and the Transaction including the Tender Offer does not fall under the management buy-out (MBO) and the Tender Offeror and the Company intend to take the Company private by the acquisition of all of the Company Shares (excluding the treasury shares owned by the Company and the Non-tendered shares, but including the Company Shares to be issued upon exercise of the Stock Acquisition Rights) and all of the Stock Acquisition Rights by the Tender Offeror through the Transaction. Furthermore, the Tender Offeror has entered into the tender agreements and the non-tender agreements with Mr. Tanaka et al, NTT, and NTT DOCOMO regarding the Company Shares they own, and the shareholders agreement with Cultive upon the management of the Company after the completion of Squeeze-out Procedures and the term sheet for executing a shareholders agreement upon the management of the Company and for prompt negotiations for the implementation of such agreement (the "**Term Sheet**"). Based on the aforementioned facts, in consideration of the possibility that the interests of Mr. Tanaka et al and such members of the Large Shareholders Group do not necessarily match with those of the Company's general shareholders, the Tender Offeror and the Company has conducted the measures stated below in "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", in order to secure the fairness of the Transaction including the Tender Offer, in view of the fairness of the Tender Offer Price, elimination of arbitrariness in the decision-making process for decision of the implementation of the Tender Offer and to avoid the conflict of interests.

(II) Matters concerning the method of treatment in the case where fractions of less than one share occur, and the amount expected to be distributed to shareholders as a result of such treatment and the reasonableness of such amount

As stated above in "2. Overview of the share consolidation", "(2) Details of the share consolidation", "(VII) Method of treatment in the case where fractions of less than one share occur and the amount expected to be distributed to shareholders as a result of such treatment" above, the amount expected to be distributed to shareholders as a result of fractions will be the amount obtained by multiplying the number of shares owned by each shareholders of the Company listed or recorded on the Company's final register of shareholders as of January 8, 2025, the date immediately preceding the effective date of the Share Consolidation by 3,600 Japanese yen, which is the same amount as the Tender Offer Price.

As stated in the "1. Purpose of and reasons for Share Consolidation" above, regarding the Tender Offer Price of 3,600 Japanese yen, the Company has determined that the Tender Offer will be a reasonable opportunity for the Company's shareholders at a price with a reasonable premium and on reasonable terms to sell the Company Shares by the following reasons.

(A) The Tender Offer Price is determined through careful consultation and agreement with DigitalBridge after taking sufficient measures to ensure the fairness of the terms of Transaction including the Tender Offer Price as provided in "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", and implementing the Process with a substantial involvement of the Special Committee, which is independent from the Partner Candidate, the Tender Offeror, the Large Shareholders Group, Mr. Tanaka et al and the Company.

(B) The Tender Offer Price is within the range of the valuation results by the average market price method and the DCF Method, among the share valuation results of the Company Shares by Nomura Securities stated below in "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", "(III) Obtainment of share valuation report by the Company from an independent third-party calculation agent".

(C) The Tender Offer Price is within the range of the valuation results by the market price method and the DCF Method, among the share valuation results of the Company Shares by CPA Partners stated in "(3) Matters concerning calculation", "(II) Obtainment of share valuation report by the Special Committee from an independent third-party calculation agent" in "3. Details of, and grounds and reasons for, the opinion on the Tender Offer" in the Notice.

(D) The amount of the Tender Offer Price is an amount adding 161.82% premium over 1,375 Japanese yen, which is the closing price of the Company Shares at the Tokyo Stock Exchange Growth Market as of August 13, 2024, the immediately preceding business day of the public announcement of the Tender Offer, 135.29% premium over 1,530 Japanese yen, which is the simple average of the closing prices during the past one month (from July 16, 2024 until August 13, 2024), 113.27% premium over 1,688 Japanese yen, which is the simple average of the closing prices during the past three months (from May 14, 2024 until August 13, 2024), and 30.15% premium over 2,766 Japanese yen, which is the simple average of the closing prices during the past six months (from February 14, 2024 until August 13, 2024); and although the premium level of the simple average of the closing prices during the past six months (30.15%) is lower than the premium level (62.18%) in the past cases similar to the Transaction, the premium level of the closing price as of the immediately preceding business day of the public announcement of the Tender Offer and the premium level of the simple average of the closing prices during the past one month and the past three months (161.82%, 135.29% and 113.27%, respectively) superior to the premium level of other past 58 cases similar to the Transaction (58.65%, 59.74% and 60.92%, respectively) aimed at the privatization of shares of a listed company, which was published on and after June 28, 2019, where the METI issued the Fair M&A Guidelines, until August 13, 2024 was implemented (excluding the cases of MBO cases, the cases in which the target company is a consolidated subsidiary or an affiliated company of the tender offeror's group, and the cases in which the premium is negative), (the average premium is 58.65% on the immediately preceding business day of the announcement, 59.74% for the past one month, 60.92% for the past three months, and 62.18% for the past six months). Although the Tender Offer Price is lower than the issue price (4,973 Japanese yen per share) for the issuance of new shares by way of Overseas Offering

resolved at the meeting of the board of directors of the Company held on February 16, 2024, the Company believes that it is appropriate to refer to the premium for the periods other than the most recent six months of the above periods, because the Company's current share price is based on information such as the consolidated earnings forecast for the fiscal year ending March 2025 in the Financial Results for the fiscal year ended March 31, 2024 Japanese GAAP (consolidated) disclosed by the Company on May 9, 2024, after the implementation of the Overseas Offering.

(E) Measures to ensure the fairness of the Tender Offer stated below in "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest" have been taken and it is recognized that the benefits of general shareholders are protected.

(F) As stated below in "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", (II) Independent special committee established, and a written report obtained, by the Company", it is determined in the Written Report by the Special Committee, which is independent from the Partner Candidate, the Tender Offeror, the Large Shareholders Group, Mr. Tanaka and the Company, that the terms of the Transaction including the Tender Offer Price are appropriate.

The Company adopted at its board of directors meeting held on August 14, 2024 a resolution to the effect that it shall express its opinion in support of the Tender Offer, and that it shall recommend that its shareholders tender their shares in the Tender Offer and that it shall leave to the Stock Acquisition Right Holders the decision on whether or not to tender their Stock Acquisition Rights in the Tender Offer. The Company confirmed that there has not been any major change in the terms and conditions thereafter that formed the basis of the Company's decision on the Tender Offer Price up to the Board of Directors Meeting, where it has been resolved to convene this Extraordinary General Meeting of Shareholders.

Based on the above, the Company has determined that the amount expected to be delivered to the Company's shareholders as a result of the treatment of fractions arising from the Share Consolidation is reasonable.

(III) Disposition of material assets, material liabilities and other events having a significant impact on the status of the company's assets that occurred after the last day of the most recent fiscal year of the Company

(i) Tender Offer

As stated in "1. Purpose of and reasons for Share Consolidation" above, the Tender Offeror has completed the Tender Offer for the tender offer period from August 15, 2024 until October 10, 2024 and consequently came to own 19,459,712 shares of the Company Shares (ownership ratio: 75.62%) as of October 18, 2024, the commencement date of the settlement for the Tender Offer.

(ii) Retirement of treasury shares

At the Board of Directors Meeting, the Company has resolve to retire 556 shares of the Company's treasury shares (all of the shares owned by the Company as of November 8, 2024) as of January 8, 2025. The retirement of treasury shares will be conducted on the condition that the proposal of the Share Consolidation is approved at this Extraordinary General Meeting of Shareholders as originally proposed. The total number of issued shares of the Company (Note) will be 25,730,362 shares.

(Note) "Total number of issued shares of the Company" represents the Standard Number of Shares.

(2) Likelihood of delisting

(I) Delisting

As stated in "1. Purpose of and reasons for Share Consolidation" above, the Company will conduct the Share Consolidation for the purpose of making the Tender Offeror and Cultive the only shareholders of the Company, subject to approval by the Company's shareholders at this Extraordinary General Meeting of Shareholders. As a result, the Company Shares will be delisted through the prescribed procedures in accordance with the delisting standards provided in the Securities Listing Regulations of the TSE.

The Company Shares will be designated as securities to be delisted from December 17, 2024 to January 6, 2025, and will then be delisted on January 7, 2025. The Company Shares cannot be traded on the TSE after the delisting.

(II) Reasons for delisting

As stated in "1. Purpose of and reasons for the share consolidation" above, the Company determined that implementing the Transaction including privatization of the Company Shares with DigitalBridge being the Partner will contribute to the enhancement of the medium-to long -term corporate value of the Company.

(III) Impact on minority shareholders and the Company's opinion thereon

As stated in "(II) Independent special committee established, and a written report obtained, by the Company" in "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest" below, the Company asked the Special Committee whether or not the Transaction is disadvantageous for minority shareholders of the Company and received the Written Report from the Special Committee, which stated that it can be said that the Transaction is not disadvantageous for minority shareholders of the Company.

(3) Measures to secure the fairness of Transaction and avoid conflicts of interest

As of the date of the release of the Tender Offer, the Company is not a subsidiary of the Tender Offeror and the Tender Offer is not a tender offer by a controlling shareholder. A direct or indirect contribution by all or part of the Company's management to the Tender Offeror is not planned and the Transaction including the Tender Offer does not fall under the management buy-out (MBO) and the Tender Offeror and the Company intend to take the Company private by the acquisition of all of the Company Shares (excluding the treasury shares owned by the Company and the Non-tendered shares, but including the Company Shares to be issued upon exercise of the Stock Acquisition Rights) and all of the Stock Acquisition Rights by the Tender Offeror through the Transaction. Furthermore, the Tender Offeror has entered into a tender agreements and a non-tender agreements with Mr. Tanaka et al, NTT, and NTT DOCOMO regarding the Company Shares they own, and the Term Sheet with Cultive. Based on the aforementioned facts, in consideration of the possibility that the interests of Mr. Tanaka et al and such members of the Large Shareholders Group do not necessarily match with those of the Company's general shareholders, the Tender Offeror and the Company has conducted the following measures in order to secure the fairness of the Transaction including the Tender Offer, in view of the fairness of the Tender Offer Price, elimination of arbitrariness in the decision-making process for decision of the implementation of the Tender Offer and to avoid the conflict of interests. The measures taken by the Tender Offeror

described below are based on the explanations received from the Tender Offeror.

(I) Implementation of the tender offer process

As stated above in "1. Purpose of and reasons for Share Consolidation", the Company has been conducting the Process with respect to two of the Partner Candidates, including DigitalBridge, since late May 2024 and granted the two companies the opportunity to carry out due diligence from late May 2024 to early July 2024. The Company then received proposals from the two companies around early- to late-July 2024.

The Company decided to enter into final negotiations with DigitalBridge for the implementation of the Transaction, as the proposal was superior in terms of the probability of the proposal being realized, the preconditions for financing, the management strategy and support structure after the Transaction, among other things. Subsequently, the Company and DigitalBridge continued negotiations, and DigitalBridge made a final proposal for a Tender Offer Price of 3,600 Japanese yen and Stock Acquisition Right Purchase Price of 1 Japanese yen.

As described above, the Company has implemented the Process and secured the opportunity to receive proposals from multiple Partner Candidates for improving the corporate value of the Company.

(II) Independent special committee established, and a written report obtained, by the Company

(i) Background to the establishment

As stated in "1. Purpose of and reasons for Share Consolidation" above, on May 17, 2024, the Company established the Special Committee by resolution of the Company's board of directors in order to carry out the Process. The Special Committee is composed of three members: Mr. Naoki Ota (an independent outside director of the Company), Ms. Mutsuko Oba (an independent outside director of the Company), and Mr. Akito Takahashi (an external expert, Takahashi-Katayama Legal Office, and a lawyer). Mr. Naoki Ota has been selected as the chair of the Special Committee, and the members of the Special Committee have not changed since its establishment. Each member of the Special Committee has no interest in the Tender Offeror, Partner Candidates, Large Shareholders Group, Mr. Tanaka et al, or the Company, and the Company have confirmed that they do not have any material interests that differ from those of general shareholders with regard to the success or failure of the Transaction. Furthermore, each member of the Special Committee is to be paid a fixed amount as compensation for their duties, regardless of the content of their report, and such compensation does not include any performance-based compensation contingent upon the success closing of the Transaction.

Based on the above resolution of the Company's board of directors, the Company consulted with the Special Committee regarding the Consulted Issues.

In addition, the Company's board of directors, in establishing the Special Committee, resolved that: (i) the Company's board of directors' decision-making regarding the implementation of the Transaction, including whether or not to approve the Tender Offer, shall be made with the utmost respect for the content of the Special Committee's judgment; and (ii) if the Special Committee determines that the implementation of the Transaction or the terms and conditions of the Transaction are not appropriate, the implementation of the Transaction shall not be approved. The Company's board of directors has also resolved that the Special Committee shall be authorized to: (i) substantially participate in the negotiation process between the Company and the Partner

Candidates (including, where necessary, providing instructions or requests regarding the negotiation policy with the Partner Candidates and directly negotiating with the Partner Candidates); (ii) when considering and making decisions regarding the Consulted Issues, as necessary, appoint its own financial or legal advisors (in which case the Company will bear the costs of such advisors) or appoint or approve (including after-the-fact approval) the Company's financial or legal advisors; and (iii) as necessary, receive information from the Company's officers/employees and other persons deemed necessary by the Special Committee for the examination and judgment of the Consulted Issues.

At the above meeting of the Company's board of directors, the above resolution was unanimously passed after deliberation by seven directors out of nine directors of the Company, excluding Mr. Yoshiaki Uchida, who held the position of an officer/employee of KDDI Engineering Corporation, a wholly-owned subsidiary of KDDI Corporation, which is one of the Large Shareholders Group, and Mr. Shingo Ishida, who holds the position of an officer/employee of NTT, which is one of the Large Shareholders Group. In addition, at the above meeting of the Company's board of directors, all three of the Company's corporate auditors expressed their agreement with the above resolution. Further, as stated in "1. Purpose of and reasons for Share Consolidation" above, the Company referred additional consulted issues to the Company's board of directors meeting held on July 16, 2024, and at such board of directors meeting, such issues were resolved unanimously after deliberation by four directors out of nine directors of the Company, excluding Mr. Tanaka, who could have concluded the Tender Agreement (Mr. Tanaka) with the Tender Offeror, Mr. Yoshiaki Uchida, who held the position of an officer/employee of KDDI Engineering Corporation, a wholly-owned subsidiary of KDDI Corporation, which is one of the Large Shareholders Group until June 2022, Mr. Takahiro Nikkuni, who holds the position of an officer/employee of NTT, which is one of the Large Shareholders Group, and Mr. Matthias Vukovich and Ms. Asuka Sato, who hold the position of officers/employees of an affiliated company of the Partner Candidate.

Furthermore, as there is a possibility that the five persons who did not participate in the deliberations and resolutions of the above-mentioned Board of Directors meeting, namely Mr. Tanaka, Mr. Yoshiaki Uchida, Mr. Takahiro Nikkuni, Mr. Matthias Vukovich, and Ms. Asuka Sato, do not have any special interest as defined in the Companies Act with regard to the above-mentioned agenda item, and in that case, it is possible that the quorum for the meeting of the board of directors has not been met with regard to the agenda item, and in order to make sure that a valid resolution is made that meets the quorum requirements of the Companies Act, the agenda item was resolved unanimously after deliberation by seven directors, including Mr. Tanaka, Mr. Yoshiaki Uchida, and Mr. Takahiro Nikkuni, who are not concurrently serving as officers/employees of Partner Candidate or its affiliate, out of the five directors, namely Mr. Tanaka, Mr. Yoshiaki Uchida, Mr. Takahiro Nikkuni, Mr. Matthias Vukovich, and Ms. Asuka Sato (since the execution of the Term Sheet was not scheduled at the time of the decision of the agenda, Mr. Tanaka was added to the discussion and decision.). In addition, at the above meeting of the Company's board of directors, all three of the Company's corporate auditors expressed their agreement with the above resolution.

(ii) Background to the review

The Special Committee met a total of 11 times for a total of approximately 18 hours between May 22 and August 13 of 2024, and also carefully discussed and examined the Consulted Issues through

reporting, information sharing, deliberations, and decision-making via email or telephone as necessary.

Specifically, the Special Committee first approved the appointment of Nomura Securities, which was appointed as the Company's financial advisor and third-party appraiser, and AMT, which was appointed as the Company's legal advisor, on May 22, 2024, based on the fact that each of them has sufficient expertise, and they are independent of each of (i) the Tender Offeror, (ii) the Partner Candidates including DigitalBridge, (iii) the Large Shareholders Group, (iv) Mr. Tanaka et al, and (v) the Company, and they do not have any material interests in any of these parties. In addition, on June 11, 2024, the Special Committee appointed CPA Partners, which has sufficient expertise and independence from the above (i) through (v) and does not have any material interest in any of them, as its own financial advisor and third-party appraiser, and decided to receive expert advice from CPA Partners. In addition, the Special Committee has confirmed that it will not appoint its own legal advisor, and that the Special Committee will also receive expert advice from AMT as necessary.

In addition, upon reviewing the Consulted Issues, the Special Committee held multiple interviews with the Company, received explanations regarding the content of the discussions with the Partner Candidates, including the status of evaluation and review of the content of the proposals from the Partner Candidates and conducted question-and-answer sessions regarding these matters, and it also asked the Company questions about its evaluation and review of its going private and delisting, including its management policies, and the status of the evaluation and review of the Transaction, and received written responses from the Company and conducted question-and-answer sessions on these matters.

In addition, the Special Committee held interviews with the two Partner Candidates, including DigitalBridge, which participated in the Process, and conducted question-and-answer sessions regarding the background, significance, and purpose of the Transaction, the adverse effects that are expected to be caused to the Company by the Transaction, the expected structure and terms of the Transaction, and the management structure and management policies of the Company after the Transaction.

Furthermore, the Special Committee received explanations from Nomura Securities, the Company's financial advisor and third-party appraiser, regarding the content and progress of the Transaction, the content of the stock valuation, and the status of discussions and negotiations with the Partner Candidates and conducted questions-and-answers sessions on these matters.

(iii) Decision

The Special Committee, based on the above process and considering the advice received from AMT, carefully discussed and deliberated on the Consulted Issues, and as a result, on August 13, 2024, the Special Committee submitted a report to the Company's board of directors, with the unanimous approval of all committee members, as outlined below.

1 Whether the purpose of the Transaction is considered reasonable (including whether the Transaction will contribute to the improvement of the Company's corporate value)

<Conclusion>

The Special Committee believes that the purpose of the Transaction (including the Tender Offer) is considered reasonable (the Transaction will contribute to the improvement of the Company's corporate

value).

<Reasons>

- The Special Committee considers that "(a) Purpose and necessity, and background of the Transaction" and "(b) Benefits of the Transaction implemented through the Tender Offer," which were explained by the Company and Tender Offeror, are considered to be specific based on the Company's current business and management situation.
- First, with regard to "(a) Purpose and necessity, and background of the Transaction" above, the Company focuses particularly on the following points in terms of the market environment surrounding the Company: (i) data traffic and infrastructure costs have been increasing significantly in Japan since 2020 with the launch of 5G services by mobile network operators and The Special Committee considers that in the Japanese telecommunications industry, burden on telecommunications companies is expected to continue to increase due to the development of new communications technologies for Beyond5G and 6G, as well as the expansion of coverage areas required not only for disaster response and terrestrial rural areas but also for air, sea and space; (ii) the Company considers that this increases the need for efficient infrastructure development among telecommunications companies, and demand has also been growing for infrastructure sharing as a means of reducing capital investment and operating costs; (iii) the Company considers that government measures to support development of telecommunications infrastructure in rural areas, such as subsidies, are also encouraging efforts to improve the telecommunications environment in rural areas, further increasing the importance of infrastructure sharing as a means of efficiently improving the telecommunications environment; (iv) with increasing interest in sustainability in recent years, infrastructure sharing has come to attract attention as a means to contribute to environmental protection, (v) there is an increasing need to improve the efficiency of indoor and outdoor network development and the maintenance and operation of communication infrastructure through infrastructure sharing in the face of a declining population society, and (iv) the Company considers that in recent years, the need for indoor infrastructure sharing has been growing overseas as well, especially in emerging countries, against the background of development of new large-scale facilities and future demand for 5G deployment. These points are all considered consistent with general description of the environment of the industry and market to which the Company belongs, and they are also specific taking into account the situations particular to the Company.
- The Company considers, based on the above understanding of the market environment, that in order to maintain its market share and continue to meet growing demand, it is necessary to accelerate the introduction of shared facilities developed by the Company for cell tower-related infrastructure in large-scale facilities in the Domestic IBS Business and the Overseas IBS Business, and further promoting construction of new steel towers and carve-out of steel towers from telecommunications companies in the Tower Business, and it is desirable to consider development specialized for joint construction in order to meet growing demand by mutual utilization of cell tower related infrastructure among mobile network operators. These points are considered to be a reasonable future direction for the Company to pursue.
- On the other hand, (i) growth in the Domestic IBS Business and the Tower Business which

are core business of the Company Group will require the Company to meet flexibly continuous demand for additional funds, (ii) specifically, in the Domestic IBS Business, the Company will need to develop and expand cell tower-related infrastructure in large-scale facilities such as commercial facilities, complexes, office buildings, medical facilities and will have to make capital investment to meet this, (iii) while the Company is working on upgrading the sharing area, including sharing of radio equipment and front halls, in order to make telecommunications infrastructure more efficient and provide high-quality services, the Company considers it important to make investment in such development on a continuous basis, (iv) in the Tower Business, the Company needs to construct new steel towers and carve out steel towers from telecommunications companies on a continuous basis, and this is expected to require a large amount of capital. These points show that the Company considers it important to meet various capital needs and properly understands its challenges.

- The Company's actions, based on its current business and management situation, to look for a partner, through the so-called bidding process, who has appropriate knowledge in the infrastructure sharing business and the ability to meet the abovementioned capital needs, and to solicit proposals for measures to enhance its corporate value, are considered to be a reasonable management decision for the future.
- Considering that the Tender Offeror is a limited liability company incorporated under the laws of the State of Delaware in the United States for the primary purpose of owning Shares and the Share Acquisition Rights of the Company through the Tender Offer, DB Pyramid Holdings, LP, which is managed and operated by DigitalBridge, is the sole member of the Tender Offeror, and DigitalBridge has a lot of experience in digital infrastructure investment as well as a lot of experience in operation, financing, development and M&A transactions in the tower area, the Company's selection of the Tender Offeror as the final partner is considered to be reasonable in line with the above market environment recognition, issue recognition and the objective of initiatives for the future.
- With regard to "(b) Benefits of the Transaction implemented through the Tender Offer," the Company is currently expecting the following:

  It is expected that (i) the Tender Offeror under DigitalBridge will acquire the Company Shares through the Transaction and will take the Company private, so that the Company Group's business will not be affected by the short-term evaluation resulting from changes in stock market and the burden on investor-oriented activities will be lessened, etc., thereby enabling the Company Group to make more strategic decisions and to focus its management resources more efficiently on decision-making, (ii) DigitalBridge is ready to contribute equity capital to fully fund the growth of the Company Group after the Transaction, and (iii) the Transaction will provide the Company Group with access to DigitalBridge's knowledge and know-how concerning the creation of a dead-financing and is expected to be able to effectively fund the Company Group's business; and (iv) furthermore, the Company specifically considers that it will be possible to acquire world-class best practices and potential business opportunities in the Company Group's business through the network with the Company Group in the DigitalBridge business that has extensive experience in the Company Group's business fields as well as the tower business that stock market owns overseas through such businesses as global best practices, operational know-how and cooperation with major telecommunications

carriers worldwide, etc. Their details are as described in the latest draft of the Company's press release regarding the Tender Offer. They are all considered realistic for enhancing the Company's competitiveness in the future.

- On the other hand, although it is expected that the Company's growth and earnings will be boosted in the medium to long term through initiatives (i) through (iv) above, by investing the funds raised in the Company in various businesses, there is a risk that it may deteriorate the Company's financial condition and performance in the short term, considering that considerable costs may be temporarily incurred in advance. Thus, if the Company implements these initiatives and investments while maintaining its listing, it is likely that the Company will not receive appropriate evaluation from the capital market and the value of the Company Shares will be negatively affected. Taking the Company private through the proposed Transaction is a rational action and measure to enable the Company to pursue a growth strategy based on a medium- to long-term perspective and to make decision-making more quickly than ever before, without being concerned about the impact that a temporary increase in investment expenditure or a short-term deterioration in business performance may have on the Company's stock price.
- With regard to the necessary funding in the Company, the Company believes that there is a possibility that funding may be constrained due to stock price conditions, and that there is a strong tendency for short-term profitability to be emphasized, and therefore it is difficult to make upfront investments for future growth in stock market. On the other hand, the Company believes that taking the Company private will enable DigitalBridge to steadily raise funds for flexible growth, to respond more flexibly to additional funding needs in the future, and to make upfront investments from a long-term perspective. In turn, the Company will be able to appropriately capture growth opportunities in the infrastructure sharing market and further increase the speed of business growth. These points are very specific based on the Company's business.
- As explained above, the Company believes that in order to continue the Company's business and enhance its corporate value in the future, it is necessary to recognize as an important management challenge, formulation and implementation of flexible business expansion measures, including investments to enhance the Company's competitiveness and expansion of new business opportunities, based on a medium- to long-term perspective, and to take actions to implement such measures even if the Company's earnings are expected to deteriorate in the short term due to upfront investments, etc. The Company's future business outlook and growth prospect as well as the measures that the Company is considering implementing after the Transaction as explained by the Company and the Tender Offeror are deemed to be based on the Company's business and management situation and also take into account the Tender Offeror's management policy. Thus, none of them are considered unreasonable.
- Possible general disadvantages to be caused by the privatization of the Company upon the Transaction include, by losing the status of a listed company, (i) difficulty in raising funds through equity financing at the capital market, (ii) the loss of the status as a listed company works adversely for the recruitment or retention of employees, and (iii) a decline in creditworthiness for business partners and other stakeholders. However, the Company

believes that the disadvantages of the privatization of the Company will be limited, on the ground that regarding (i) above, it is possible to raise funds with agility in a stable manner by preparing a structure to receive additional equity capital from DigitalBridge as described above, that regarding (ii), as the Company has established its position as a pioneer in the infrastructure sharing in Japan, the negative impact on recruitment and retention of employees resulting from the delisting will be limited, that regarding (iii), as our position and strength in Japan as a pioneer in the infrastructure sharing will remain unchanged and the Company's business is a so-called business-to-business business, the privatization is not considered to lead to a decline in the stakeholders' (including business partners) creditworthiness of us. Considering the above, the Company's arrangement and recognition that there are limited disadvantages of taking the Company private is considered to be reasonable.

2 Whether the fairness and appropriateness of the trade conditions of the Transaction (including the appropriateness of the method and consideration of the Transaction) are ensured

<Conclusion>

We believe that the fairness and appropriateness of the trade conditions of the Transaction (including the appropriateness of the method and consideration of the Transaction) are ensured.

<Reason>

- In order to ensure the fairness and appropriateness of the terms and conditions of the Transaction, in particular the Tender Offer Price for the Company's shares in the Tender Offer, upon considering and judging such fairness and appropriateness, the Company appointed Nomura Securities as an independent third-party calculation agent for the valuation of the Company Shares (the "**Third-Party Calculation Agent**") and obtained a share valuation report from the Third-Party Calculation Agent and used the share valuation report as a reference.
- With respect to the calculation process leading to the conclusion of the share valuation report prepared by the Third-Party Calculation Agent, the calculation method is considered to be general and reasonable in light of current practices.
- We believe that the content of the above calculation is also appropriate in light of current practices. In addition, as regards the Company's business plan, which is the premise for the above calculation, the Special Committee also confirmed the reasonableness of the Company's business plan based on the explanation given to it by the Company and the Third-Party Calculation Agent, and having understood the background of the preparation of the business plan and the current status of the Company. The Special Committee made such confirmation from the standpoint of whether there is any unreasonable point in light of such explanation, background, and current status. As a conclusion, we believe that the business plan is reasonable.
- Based on the above, we believe that there are no particularly unreasonable points or significant problems with respect to the share valuation report prepared by the Third-Party Calculation Agent.

- In addition, it can be said that the Company also has been evaluating the Tender Offer Price after having generally considered circumstances such as the necessity and advantages of the Transaction and the impact on the Company's future business based on the share valuation report.
- The Company has appointed the Third-Party Calculation Agent as an experienced financial advisor and it can be said that the Company has negotiated with the Tender Offeror multiple times on the terms and conditions of the Transaction in general, including the Tender Offer Price.
- The Tender Offer Price agreed upon between the Company and the Tender Offeror on the basis of the share valuation report obtained by the Company from the Third-Party Calculation Agent is within the range of the results of the calculation. In relation to the calculation by the DCF method in particular, the Tender Offer Price is above the median of the calculation range.
- In addition to the above-mentioned Third-Party Calculation Agent appointed by the Company, in order to confirm the fairness and appropriateness of the terms and conditions of the Transaction, in particular, the Tender Offer Price, the Special Committee has appointed CPA Partners as an independent third-party calculation agent for the valuation of the Company Shares and obtained a share valuation report from CPA Partners and used the share valuation report as a reference.
- With respect to the calculation process leading to the conclusion of the share valuation report prepared by CPA Partners, the calculation method is considered to be a general and reasonable method in light of current practices.
- We believe that the content of the above calculation is also appropriate in light of current practices. In addition, as regards the Company's business plan, which is the premise for the above calculation, the Special Committee also confirmed the reasonableness of the business plan based on the explanation given to it by the Company and the Third-Party Calculation Agent, as stated above, and having understood the background of the preparation of the business plan and the current status of the Company. The Special Committee made such confirmation from the standpoint of whether there is any unreasonable point in light of such explanation, background, and current status. As a conclusion, we believe that the business plan is reasonable.
- Based on the above, we do not believe that there are any particularly unreasonable points or significant problems with respect to the share valuation report prepared by CPA Partners.
- The Tender Offer Price agreed upon between the Company and the Tender Offeror is within the range of the results of the calculation by CPA Partners. In relation to the calculation by the DCF method in particular, the Tender Offer Price is above the median of the calculation range.
- A premium of approximately 30.15% to approximately 161.82% will be added with respect to the closing price of the Company Shares as of the submission date of the Written Report (the reference date under the market price method for the calculation of the values of both the above shares) (1,375 Japanese yen), the simple average closing prices for the most recent one month, three-months and six-months (1,530 Japanese yen, 1,688 Japanese yen and 2,766 Japanese yen). Based on the examples of premiums in similar cases in the past stated in the latest draft of the Company's press release relating to the Tender Offer, it is not considered

that the premium added over the Tender Offer Price means that a premium at a different level is offered, and therefore the premium is presumed to be at a sufficiently reasonable level (with regard to the examples of premiums in similar cases (the details and figures are as described in the next section) in the past, the contents and figures are as stated in the latest draft of the Company's press release. We believe that the Special Committee does not particularly find any unreasonable points in the Company's financial advisors' explanations on these examples).

- The details and figures of the abovementioned "examples of premiums in similar cases" are as follows:

  Although the premium level of the simple average of the closing prices during the past six months (30.15%) is lower than the premium level (62.18%) in the past 58 cases similar to the Transaction, the premium level of the closing price as of the immediately preceding business day of the public announcement of the Tender Offer and the premium level of the simple average of the closing prices during the past one month and the past three months (161.82%, 135.29% and 113.27 %, respectively) superior to the premium level of other past cases similar to the Transaction (58.65%, 59.74% and 60.92 %, respectively) aimed at the privatization of shares of a listed company, which was published on and after June 28, 2019, where the METI issued the Fair M&A Guidelines, until August 13, 2024 was implemented (excluding the cases of MBO cases, the cases in which the target company is a consolidated subsidiary or an affiliated company of the tender offeror's group, and the cases in which the premium is negative), (the average premium is 58.65% on the immediately preceding business day of the announcement, 59.74% for the past one month, 60.92% for the past three months, and 62.18% for the past six months).
- Such measures of the Company are considered to be reasonable and appropriate as a way to ensure the fairness and appropriateness of the terms and conditions of the Transaction, in particular, the Tender Offer Price, and to eliminate arbitrariness from the process of the Company's determination and decision-making in relation to such fairness and appropriateness.
- Furthermore, according to the explanations by the Company, unless there will be any special circumstances in the future, calculation and determination regarding the conditions of the Squeeze-out Process will also be based on the same price as the Tender Offer Price.
- With regard to this point, the Squeeze-out Process is expected to be implemented after the Tender Offer as a procedure following the Tender Offer (a procedure as the so-called two-step acquisition), and it is considered to be reasonable that the trade conditions of the two procedures that are close in terms of time will be conducted under the same trade conditions.
- In the Tender Offer, the purchase price for the Stock Acquisition Rights is 1 Japanese yen per stock acquisition right. In general, the value of the stock acquisition rights is not expected to be materialized by their transfer, and in principle, the value is expected to be materialized by exercising the stock acquisition rights and converting them into shares. Based on this understanding, similarly for the Stock Acquisition Rights with a restriction on transfer, the Tender Offeror expects to tender the Company Shares in the Tender Offer after the holder exercises the Stock Acquisition Rights and acquires the Company Shares. We believe that this understanding and treatment are not particularly unreasonable.

- With respect to the terms and conditions of the Transaction other than the Tender Offer Price, including the upper and lower limits on the number of shares to be Tendered, the conditions for withdrawal, etc., and the matters relating to the Two-Step Acquisition, etc., no conditions that would be disadvantageous to minority shareholders, such as making the consummation of the Tender Offer unstable or oppressive, have been established and are considered to be reasonable.

3 Regarding "Whether the fairness of the procedures of the Transaction is ensured"

<Conclusion>

We believe that the fairness of the procedures of the Transaction is ensured.

<Reasons>

- Upon considering the measures to deal with the Transaction, the Company has established the Special Committee which is independent of both the Company and the Tender Offeror (and also of Mr. Tanaka, the Partner Candidates, and the Large Shareholders Group) in order to eliminate the Tender Offeror's influence on the process of the Company's consideration and decision making.
- Two members, being a majority of all three members of the Special Committee, are all independent outside directors of the Company, and the remaining one member is a lawyer who is an outside expert.
- Furthermore, one of such independent outside directors has been elected as the chairman of the Special Committee from among the members of the Special Committee.
- The Company has, in considering the measures to deal with the Transaction, requested Nomura Securities, a third-party calculation agent which is independent of both the Company and the Tender Offeror (also of Mr. Tanaka et al, the Partner Candidates, and the Large Shareholder Group), to calculate the value of the Company Shares in order to ensure the fairness of the terms and conditions of the Tender Offer, in particular, the Tender Offer Price and obtained the share valuation report. In addition, the Special Committee, after receiving necessary explanations regarding the independence of Nomura Securities, confirmed the independence.
- In addition, the Company has appointed AMT as its legal advisor that is independent of both the Company and the Tender Offeror (and also of Mr. Tanaka et al, the Partner Candidates, and the Large Shareholders Group) to obtain legal advice on the Transaction, and the Special Committee has also confirmed such independence of AMT after receiving necessary explanation on the independence.
- The Special Committee has obtained the Share Valuation Report by requesting CPA Partners, which is a Third-Party Calculation Agent independent from both the Company and the Tender Offeror (as well as Mr. Tanaka et al, the Partner Candidate and the Large Shareholders Group), to conduct the valuation of the Company Shares, in order to confirm the fairness of the terms of the Tender Offer and, in particular, the Tender Offer Price; and the independence of CPA Partners as described is also confirmed by the Special Committee after receiving necessary explanation.

- Regarding the Transaction including the Squeeze-Out Process, it is our understanding that the Company is not a subsidiary of the Tender Offeror, the Tender Offer is not a tender offer by a controlling shareholder, a direct or indirect contribution by all or part of the Company's management to the Tender Offeror is not planned and the Tender Offer does not fall under the management buy-out (MBO). On the other hand, the Tender Offeror and the Company intend to take the Company Private by the acquisition of all of the Company Shares (excluding the treasury shares owned by the Company and the Company Shares owned by Cultive, on the other hand, including the Company Shares to be issued upon exercise of the Stock Acquisition Rights) and all of the Stock Acquisition Rights by the Tender Offeror through the Transaction. Furthermore, as the Tender Offeror plans to conclude a subscription agreement and a non-subscription agreement with Mr. Tanaka et al and some of the Large Shareholders Group for the Company Shares they own and a Term Sheet with the Cultive, in consideration of the possibility that the interests of Mr. Tanaka et al and such members of the Large Shareholders Group do not necessarily match with those of the Company's general shareholders, the Tender Offeror and the Company has been aware of the necessity to take measures to ensure the fairness of the Transaction including the Tender Offer, in view of the fairness of the Tender Offer Price, elimination of arbitrariness in the decision-making process for decision of the implementation of the Tender Offer and to avoid the conflict of interests. Having considered such circumstances and understood the necessity to ensure the fairness and appropriateness in the terms of the Transaction, the Company has developed the aforementioned system and requested the Tender Offeror from an early stage of the consultation to set the terms ensuring the benefits of the Company's minority shareholders.
- Regarding the policy in consultation and discussion between the Company and the Tender Offeror, the consultation with the Tender Offeror was conducted under the consultation policy confirmed by the Special Committee, after the Special Committee received an explanation about the policy in consultation etc. from the Company and Nomura Securities, the Company's financial advisor.
- The structure has been built that allows the Special Committee to be substantially involved in the consultation process for the terms of the Tender Offer and the Tender Offer Price, in which the Special Committee received timely reports on specific circumstances of consultation and discussion between the Company and the Tender Offeror and expressed its opinion to the Company and Nomura Securities, the Company's financial advisor, based on such reports and made necessary proposals and requests.
- After the Company comprehensively examined the fairness, appropriateness and practicality of the terms, the Company and the Tender Offeror held discussions to examine the appropriateness of the Tender Offer Price and proceed with the final adjustment of the price, which is expected to be resolved at the Board of Directors.
- Subsequently, the Company and the Tender Offeror reached an agreement on the terms of the Transaction including the price of the Tender Offer and such approved price has been set as the Tender Offer Price, which is expected to be resolved at the Board of Directors.
- Regarding a so-called two-step acquisition, there will be an early and detailed disclosure and explanation to provide the Company's shareholders with an appropriate opportunity to make decisions; and in other documents to be prepared and further disclosed by the Tender Offeror

and the Company, it is planned to disclose necessary and appropriate information for the Company's shareholders (especially minority shareholders) to determine the appropriateness of the terms of the Transaction including the Tender Offer Price.

- As an effort to eliminate the arbitrariness in the decision-making process, the Company's directors who are deemed to have an interest in the Transaction are not involved in the discussion for the Transaction at the Company and are not going to attend the deliberations and resolutions related to the Transaction, taking into account the quorum of the Board of Directors.
- For the Tender Offer, the minimum number of shares to be purchased will be set, as described in the latest draft of the Company's press release on the Tender Offer. If there are a fewer number of subscriptions for the Tender Offer than such minimum number, the purchase of the Company Shares, etc. through the Tender Offer will not be conducted, in order to respect the intention of the Company's minority shareholders (so-called general shareholders) as much as possible.
- While the terms of the Tender Offer do not include a term of Majority of Minority (the "**MOM**"), a MoM could put the conclusion of the Tender Offer in an unstable position. If the MoM is included as a term, the Tender Offer may not be implemented under certain circumstances, which may not benefit the minority shareholders who wish to tender their shares in the Tender Offer. Therefore, taking into account the fact that a fair amount of consideration is given to other measures to ensure the fairness, it is our understanding that the lack of MoM does not have to be particularly noted in the Tender Offer.
- As the Tender Offer Period is to be set at 39 business days, which is longer than the minimum statutory period of 20 business days. In addition, the Company has not made an agreement with the Tender Offeror that restricts the contact of the Company with counter-offerors including an agreement a with so-called transaction protection clause that restricts the contact of the Company with counter-offerors, there is no particularly unreasonable situation in terms of the so-called market check.
- With regard to the active market check, by which the existence of potential purchasers in the market is examined and investigated, bidding procedures have been made in the Tender Offer, while paying attention to the information management. As provided as the summary of such activity in the latest draft of the Company's press release on the Transaction, having requested proposals from more than one Partner Candidate and substantially examined such a proposal at the Company, the Company has determined to conduct final consultations for the Transaction with a counterparty, whose proposal was believed to be comprehensively superior in the plausibility of the content of such proposal, the preconditions for raising funds, the management strategy after the Transaction and the support system therefor, and is engaged in further negotiations with such counterparty. Such a response enables the comparative review of terms and is reasonable for the improvement of the corporate value of the Company.
- While the procedures of a so-called two-step acquisition are planned for the privatization of the Company in the Transaction (a reverse stock split is planned at the moment), pursuant to the provisions under the Companies Act to protect the rights of minority shareholders (general shareholders) in the case of a reverse stock split, the Company's shareholders may request

the Company to purchase all of their ordinary shares that are fractions less than one share at a fair price and also may make an application to the court to determine the price of the Company's ordinary shares. The determination of the price in the case of such an application is ultimately to be decided by the court, and it is possible for the Company's minority shareholders (general shareholders) to secure their economic interests through such procedures.

- As provided above, we believe that specific measures have been taken for matters such as ensuring objective conditions for securing the fairness of the Tender Offer and the Squeeze-Out Process and that sufficient consideration has been given to the benefit of the Company's shareholders through fair procedures.

4 Based on 1 through 3 above, whether it can be stated that the Transaction is not disadvantageous to the Company's minority shareholders

<Conclusion>

Based on 1 through 3 above, the Special Committee believes that the Transaction is not disadvantageous to the Company's minority shareholders.

<Reasons>

- Regarding matters other than those examined in 1 through 3 above, there was no particular ground that the Special Committee believes that the Transaction including the Tender Offer is disadvantageous to the Company's minority shareholders. Therefore, it is our understanding that the Transaction is not disadvantageous to the Company's minority shareholders.

5 Whether the Company's Board of Directors should express its approval to the Tender Offer and encourage the Company's shareholders to tender their shares in the Tender Offer, in the case where the Transaction involves a tender offer of the Company Shares by a third party

<Conclusion>

The Special Committee believes that considering 1 through 4 above, it is reasonable at present for the Company's Board of Directors to (i.e. "should") express its approval to the Tender Offer and encourage the Company's shareholders to tender their shares in the Tender Offer (as well as leave to the Stock Acquisition Right Holders the decision on whether or not to tender their Stock Acquisition Rights in the Tender Offer) (therefore, it is not disadvantageous to the minority shareholders of the Company that the Company's Board of Directors makes decisions (i) to express its approval to the Tender Offer and encourage the Company's shareholders to tender their shares in the Tender Offer (as well as leave to the Stock Acquisition Right Holders the decision on whether or not to tender their Stock Acquisition Rights in the Tender Offer), and (ii) to carry out the Squeeze-Out Procedures by way of share consolidation after the Tender Offer).

<Reasons>

- As described above, given that 1 the purpose of the Transaction including the Tender Offer is considered reasonable (the Transaction will contribute to improving the corporate value of the Company), 2 the fairness and appropriateness of the terms of the Transaction (including the appropriateness of the method of implementation and considerations for the Transaction) is considered to be ensured, 3 the fairness of the procedures for the Transaction is considered to be ensured, 4 the fairness of the procedures relating to the Transaction is considered to be ensured and 45considering 1 through 3 above, it is considered that the Transaction is not disadvantageous for minority shareholders of the Company, it is considered reasonable at present for the Company's Board of Directors to (i.e. "should") express its approval to the Tender Offer and encourage the Company's shareholders to tender their shares for the Tender Offer (as well as leave to the Stock Acquisition Right Holders the decision on whether or not to tender their Stock Acquisition Rights in the Tender Offer) (therefore, it is not disadvantageous to the minority shareholders of the Company that the Company's Board of Directors makes decisions (i) to express its approval to the Tender Offer and encourage the Company's shareholders to tender their shares for the Tender Offer (as well as leave to the Stock Acquisition Right Holders the decision on whether or not to tender their Stock Acquisition Rights in the Tender Offer), and (ii) to carry out the Squeeze-Out Procedures by way of share consolidation after the Tender Offer), and there are no particular circumstances to the contrary at present.

(III) Share valuation reports obtained by the Company from independent third-party calculation agent

As stated in "3. Details of, and grounds and reasons for, the opinion on the Tender Offer", "(3) Matters concerning calculation", "(I) Obtainment of share valuation report by the Company from an independent third-party calculation agent" in the Notice, in determining its opinion on the Tender Offer, the Company requested Nomura Securities, a financial advisor and third-party calculation agent independent of the Tender Offeror, Partner Candidates, Large Shareholders Group, Mr.Tanaka et al, and the Company, to calculate the value of the Company Shares and obtained a share valuation report as of August 14, 2024 (the "**Share Valuation Report (Nomura Securities)**"). Nomura Securities is not a related party of the Tender Offeror, Partner Candidates, Large Shareholders Group, Mr.Tanaka et al, or the Company, and does not have any material interests that should be noted in relation to the Tender Offer.

(IV) Share valuation report obtained by the special committee from an independent third-party calculation agent

As stated in "3. Details of, and grounds and reasons for, the opinion on the Tender Offer", "(3) Matters concerning calculation", "(II) Obtainment of share valuation report by the special committee from an independent third-party calculation agent" in the Notice, in considering the Consulted Issues, the Special Committee requested CPA Partners, a financial advisor and third-party calculation agent independent of the Tender Offeror, Partner Candidates, Large Shareholders Group, and Mr. Tanaka et al, and the Company, to calculate the value of the Company Shares and obtained a share valuation report dated August 13, 2024 (the "**Share Valuation Report (CPA Partners)**". CPA Partners is not a related party of the Tender Offeror, Partner Candidates, Large Shareholders Group, Mr. Tanaka et al, or the Company and does not have any material interests that should be noted in relation to the Tender Offer.

(V) Advice from an independent law firm to the Company

The Company has appointed AMT as legal advisor independent of the Tender Offeror, Partner Candidates, Large Shareholders Group, Mr. Tanaka et al, Cultive, and the Company and is receiving legal advice regarding measures to be taken to ensure the fairness of procedures in the Transaction, the various procedures of the Transaction, as well as the method and process of the Company's decision-making regarding the Transaction and other points to consider in making decisions. AMT's fees in relation to the Transaction will be calculated by multiplying the hourly rate by the number of hours worked, regardless of whether the Transaction is successful or not, and do not include any contingent fees that would be paid upon the successful closing of the Transaction, including the Tender Offer. In addition, AMT is not a related party of the Tender Offeror, Partner Candidates, Large Shareholders Group, Mr. Tanaka et al, or the Company, and does not have any material interest in the Transaction, including the Tender Offer.

(VI) Establishment of an independent review system within the Company

As stated in "1. Purpose of and reasons for Share Consolidation" above, the Company has established an internal system for conducting investigations, negotiations and decision-making regarding the Transaction, independent of the Tender Offeror, Partner Candidates, Large Shareholders Group, and Mr.Tanaka et al. Specifically, after receiving an initial proposal regarding the going-private transaction of the Company during the period from mid-April, 2024 and early May, 2024, the Company established a project team to consider the Transaction (including the preparation of a business plan that will form the basis for the valuation of the Company Shares) and to conduct related discussions and negotiations. The members of the project team have always been composed solely of the Company's officers/employees who do not concurrently serve as officers/employees of the Tender Offeror, Partner Candidates or Large Shareholders Group. Mr. Tanaka has not participated in any discussions or negotiations with the Tender Offeror on behalf of the Company since the submission of the Partner Proposal. In addition, the Company has obtained the approval of the Special Committee regarding the fact that there are no issues with the Company's review system (including the review of the Transaction, the scope of the Company's officers/employees involved in the negotiation, and their duties) in terms of independence and fairness, including the handling of the above.

(VII) Approval of all directors of the Company with no interest in the Transaction, and no objection to the Transaction from all company auditors of the Company with no interest in the Transaction

Based on the legal advice obtained from AMT, the financial advice obtained from Nomura Securities, the contents of the Share Valuation Report (Nomura Securities), the Share Valuation Report (CPA Partners) submitted through the Special Committee, the Written Report obtained from the Special Committee, the contents of the multiple rounds of continuous discussions held with the Tender Offeror, and other related materials, and as a result of careful consultation and consideration of whether the Transaction, including the Tender Offer by the Tender Offeror, would contribute to the improvement of the corporate value of the Company and whether the terms and conditions of the Transaction, including the Tender Offer Price, were appropriate, as stated in "1. Purpose of and reasons for Share Consolidation" above, at the meeting of the Company's board of directors held on August 14, 2024, the Company resolved to express its opinion to support the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer, and to leave the decision on whether or not to tender their Stock Acquisition Rights to the Stock Acquisition Right Holders.

At such board of directors meeting, above issues were resolved unanimously after deliberation by four directors out of nine directors of the Company, excluding Mr. Tanaka, who have concluded the tender agreement with the Tender Offeror, Mr. Yoshiaki Uchida, who held the position of an officer/employee of KDDI Engineering Corporation, a wholly-owned subsidiary of KDDI Corporation, which is one of the Large Shareholders Group until June 2022, Mr. Takahiro Nikkuni, who holds the position of an officer/employee of NTT Corporation, which is one of the Large Shareholders Group, and Mr. Matthias Vukovich and Ms. Asuka Sato, who hold the position of officers/employees of an affiliate of the Partner Candidate.

Furthermore, as there is a possibility that the five persons who did not participate in the deliberations and resolutions of the above-mentioned Board of Directors meeting, namely Mr. Tanaka, Mr. Yoshiaki Uchida, Mr. Takahiro Nikkuni, Mr. Matthias Vukovich, and Ms. Asuka Sato, do not have any special interest as defined in the Companies Act with regard to the above-mentioned agenda item, and in that case, it is possible that the quorum for the meeting of the board of directors has not been met with regard to the agenda item, and in order to make sure that a valid resolution is made that meets the quorum requirements of the Companies Act, the agenda item was resolved unanimously after deliberation by six directors, including Mr. Yoshiaki Uchida and Mr. Takahiro Nikkuni, who are not concurrently serving as officers/employees of Partner Candidate or its affiliate, and who are not the representative of Cultive, a party to the Term Sheet, out of the five directors, namely Mr. Tanaka, Mr. Yoshiaki Uchida, Mr. Takahiro Nikkuni, Mr. Matthias Vukovich, and Ms. Asuka Sato.

In addition, at the above meeting of the Company's board of directors, all three of the Company's corporate auditors expressed their agreement with the above resolution.

(VIII) Measures to ensure opportunities for other purchasers to purchase

The Company and the Tender Offeror have not entered into any agreement that may restrict any other parties with tender offer proposals (the "**counter-offerors**") from contacting the Company, such as agreements that include no-talk provisions that prohibit the Company from contacting counter-offerors, and by not preventing the opportunity for counter-tender offers, the Tender Offeror is taking care to ensure the fairness of the Tender Offer.

In addition, according to the Tender Offeror, although the shortest tender offer period under laws and regulations is 20 Business Days, the Tender Offeror has set the Tender Offer Period to be 39 Business Days. The Tender Offeror has set a comparatively long tender offer period to ensure an appropriate opportunity for the shareholders of the Company and the Stock Acquisition Rights Holders to make a decision about the tendering of shares in response to the Tender Offer, while ensuring an opportunity for competing offers of the Company Shares by parties other than the Tender Offeror as a means to guarantee the appropriateness of the Tender Offer Price.

4 Future prospects

Due to the implementation of the Share Consolidation, the Company Shares is presumed to be delisted as stated in "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation", "(2) Likelihood of delisting", "(I) Delisting" above.

5 Matters related to transactions with a controlling shareholder

(1) Applicability to transactions with a controlling shareholder and compliance with guidelines concerning

measures to protect minority shareholders

As the Tender Offeror has become a parent company of the Company as of the commencement date of the settlement of the Tender Offer (October 18, 2024), the transactions in relation to the Share Consolidation fall under the transactions with a controlling shareholder. Although the Company has not established the "guidelines concerning measures to protect minority shareholders in implementing transactions with a controlling shareholder" in the corporate governance report, it is the Company's policy to appropriately respond in a manner that does not impair the interests of minority shareholders in implementing transactions with a controlling shareholder, by taking measures to ensure the fairness of the details and the terms and conditions of transactions through various means including obtaining advice as necessary from attorneys and other third parties, as well as making a decision upon careful deliberation at the board of directors meeting. In determining to implement the Share Consolidation, as stated in "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest" above, the board of directors of the Company conducted a careful discussion and examination based on the share valuation reports obtained from Nomura Securities and CPA Partners, legal advice obtained from AMT, its legal advisor, concerning the method and process of the decision-making by the Company's board of directors including the various processes regarding the Transactions including the Share Consolidation and other points to be noted, as well as the Written Report and other related materials submitted by the Special Committee, and thus, the Company considers that it has appropriately responded in a manner that does not impair the interests of minority shareholders and is in compliance with the abovementioned policy.

(2) Matters concerning measures to ensure the fairness and measures to avoid conflicts of interest

Please see "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest" above.

(3) Overview of the opinion obtained from a party without interest with the controlling shareholder with respect to the fact that such transactions are not disadvantageous to the minority shareholders

On August 13, 2024, the Company has received the Written Report from the Special Committee, which stated that, the Transaction is not disadvantageous to the Company's minority shareholders. As the Written Report also expresses the opinion that the decision to implement the Share Consolidation after the successful completion of the Tender Offer is not disadvantageous to the Company's minority shareholders, the Company has not obtained any further opinion from a party without interest with the controlling shareholder. For details, please see "3. Grounds for the amount expected to be distributed to shareholders as a result of the treatment of fractional shares arising from share consolidation", "(3) Measures to secure the fairness of Transaction and avoid conflicts of interest", "(II) Independent special committee established, and a written report obtained, by the Company" above.

II. Abolition of provisions on the number of shares per unit

1 Reason for the abolition

When the Share Consolidation becomes effective, the total number of issued shares of the Company will become 11 shares, and there will be no need to provide for the number of shares that constitute a unit.

2 Scheduled date of the abolition

January 9, 2025 (scheduled)

3 Terms and conditions for the abolition

The abolition is subject to the proposal regarding the Share Consolidation and the proposal regarding the partial amendments to the Company's articles of incorporation regarding the abolition of provisions on the number of shares constituting a unit (Please see "III. Partial amendments to the Company's articles of incorporation" below.) being approved and adopted as originally proposed at this Extraordinary General Meeting of Shareholders, and the Share Consolidation becoming effective.

III. Partial amendments to the Company's articles of incorporation

1 Purpose of the amendments to the articles of incorporation

(1) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, the total number of authorized shares of the Company Shares will be reduced to 44 shares pursuant to Article 182, Paragraph 2 of the Companies Act. To clarify this matter, Article 6 (Total number of authorized shares) of the Articles of Incorporation will be amended on the condition that the Share Consolidation becomes effective.

(2) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, the total number of issued shares of the Company Shares will be 11 shares and there will be no need to specify the number of shares per unit. Therefore, in order to abolish the provision on the number of shares per unit of the Company Shares, which is currently 100 shares per unit, on the condition that the Share Consolidation becomes effective, the entire provision of Article 8 (Share unit) and Article 9 (Rights to shares of less than one unit) of the Articles of Incorporation will be deleted and the article numbers shall be renumbered accordingly.

(3) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, only the Tender Offeror and Cultive will be the shareholders of the Company and the provisions regarding the record date for regular general meeting of shareholders will no longer be necessary. Thus, on the condition that the Share Consolidation becomes effective, the entire provision of Article 13 (Record date for regular general meeting of shareholders) of the Articles of Incorporation will be deleted and the article numbers shall be renumbered accordingly.

(4) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, only the Tender Offeror and Cultive will be the shareholders of the Company and the provisions regarding the electronic publishment of the materials of general meetings of shareholders will no longer be necessary. Thus, on the condition that the Share Consolidation becomes effective, the entire provision of Article 18 (Electronic publishment) of the Articles of Incorporation will be deleted and the article numbers shall be renumbered accordingly.

2 Details of amendments to Articles of Incorporation

The amendment to the Articles of Incorporation is as follows.

(The underlined part indicates the amended part.)

Current Articles of Incorporation	Amended version
(Total number of authorized shares)	(Total number of authorized shares)

Article 6. The total number of authorized shares of the Company shall be 64,000,000 shares.	Article 6. The total number of authorized shares of the Company shall be 44 shares.
(Number of shares per unit) Article 8. The number of shares per unit of the Company's shares shall be 100 shares.	(Deleted)
(Rights to shares of less than one unit) Article 9. A shareholder who owns a share of less than one unit of the Company's shares may not exercise the rights other than those listed below with respect to the shares of less than one unit they own. 1. Right listed in each item of Article 189, Paragraph 2 of the Companies Act 2. Right to make a claim pursuant to Article 166, Paragraph 1 of the Companies Act 3. Right to receive an allotment of shares and stock acquisition rights for subscription in proportion to the number of shares they own	(Deleted)
Article 10 – Article12 (Omitted)	Article 8 – Article 10 (Unchanged)
(Record date for regular general meeting of shareholders) Article 13. The record date for the voting rights for the Company's regular general meetings of shareholders and shall be March 31 of each year.	(Deleted)
Article 14 – Article 17 (Omitted)	Article 11 – Article 14 (Unchanged)
(Electronic publishment) Article 18. The Company shall take measures to provide information contained in the reference material for the general meetings of shareholders electronically upon convening a general meeting of shareholders. (2) Of the matters to be electronically provided, the Company may choose not to include all or part of the matters specified by applicable ordinances by the Ministry of Justice in the documents to be delivered to shareholders who request the delivery of such documents by the record date for the voting	(Deleted)

rights. Article 19 to Article 47 (Omitted)	 Article 15 – Article 43 (Unchanged)

3 Schedule of the amendments to the articles of incorporation

January 9, 2025 (scheduled)

4 Terms and conditions for the amendments to the articles of incorporation

The amendments to the articles of incorporation is subject to the proposal regarding the Share Consolidation being approved and adopted as originally proposed at this Extraordinary General Meeting of Shareholders, and the Share Consolidation becoming effective.

End