



June 20, 2024

To whom it may concern:

Company Name: ENEOS Holdings, Inc.
Representative: Miyata Tomohide
Representative Director, CEO
Code number: 5020;
TSE Prime Market/
NSE Premier Market
Contact person: Eguchi Sayuri, Group Manager,
Investor Relations Group,
Investor Relations Department
(Tel.: +81-3-6257-7075)

Company Name: JX Advanced Metals Corporation
Representative: Hayashi Yoichi
Representative Director, President,
Chief Executive Officer
Contact person: Hasegawa Norihiko, Manager (Investor
relations),
Public Relations & Investor Relations Dept.
(Tel.: +81-3-6433-6088)

Notice Regarding the Commencement of Tender Offer for Shares of
TATSUTA Electric Wire and Cable Co., Ltd. (Securities Code: 5809)
by JX Advanced Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc.

As announced in the “Notice Regarding the Planned Commencement of Tender Offer for Shares of TATSUTA Electric Wire and Cable Co., Ltd. (Securities Code: 5809) by JX Nippon Mining & Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc.” dated December 21, 2022 (the “Tender Offeror Press Release dated December 21, 2022”), at the respective board of directors meetings of ENEOS Holdings, Inc. and its wholly-owned subsidiary JX Advanced Metals Corporation (the “Tender Offeror”; which changed the trade name from JX Nippon Mining & Metals Corporation to JX Metals Corporation on June 28, 2023, and from JX Metals Corporation to JX Advanced Metals Corporation on May 14, 2024) held on the same date, it was resolved that the Tender Offeror will implement a tender offer under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the “FIEA”) (the “Tender Offer”) to obtain all of the common shares of TATSUTA Electric Wire and Cable Co., Ltd. (Code Number: 5809, Prime Market of the Tokyo Stock Exchange, Inc. the “Target Company”) (excluding the Target Company Shares directly owned by the Tender Offeror and the treasury shares owned by the Target Company) as part of the Transaction to make the Target Company a wholly-owned subsidiary of the Tender Offeror.

As stated in the Tender Offeror Press Release dated December 21, 2022, the Tender Offeror had aimed to commence the Tender Offer by June 2023. However, as it was difficult to accurately predict the period required for procedures required under competition laws both in and outside Japan, the Tender Offeror decided to announce the details of the schedule of the Tender Offer as soon as they were determined. Also, it was announced that the competition laws of China were

scheduled to be reformed, which would increase the threshold for necessity of notification, and therefore, if the reform came into effect, the notification required under Chinese competition laws for the Tender Offer would not be necessary, and the scheduled period for commencement of the Tender Offer might be changed depending on the status of progress of the procedures required under Japanese competition laws at the time thereof.

As stated in “(Progress of Disclosed Matters) Notice Regarding Progress of Implementation of Tender Offer for Shares of TATSUTA Electric Wire and Cable Co., Ltd. (Securities Code 5809) by JX Advanced Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc.” dated June 12, 2024, the clearance required in relation to the Chinese competition law has been obtained and necessary procedures and measures based on domestic and foreign competition laws have been completed. Following such completion, on June 20, 2024, the Tender Offeror confirmed that the conditions precedent to the implementation of the Tender Offer, including the completion of the necessary procedures and measures based on domestic and foreign competition laws, have been satisfied, and decided on that day to commence the Tender Offer on June 21, 2024.

As stated above, the clearance under Chinese competition laws has been obtained; however, as a condition for obtainment of the clearance, the Tender Offeror is required to implement the remedies to address the competition concerns that include prohibition against supply of the products supplied by the Tender Offeror in combination with the products supplied by the Target Company in China without justifiable reasons for a certain period on and after the date on which such clearance was obtained.

For more information, please refer to the attachment “Notice Regarding Commencement of Tender Offer for Shares of TATSUTA Electric Wire and Cable Co., Ltd.” released by the Tender Offeror.

Overview of the Tender Offeror

Headquarters	10-4, Toranomom 2-chome, Minato-ku, Tokyo, Japan
Representative	Hayashi Yoichi, Representative Director, President, Chief Executive Officer
Business description	Developing and mining of non-ferrous metal resources Smelting & refining, and marketing of non-ferrous metals, such as copper, gold and silver Manufacturing and marketing of electro-deposited and treated rolled copper foils Manufacturing and marketing of thin film materials such as sputtering targets, surface treatment agents, and compound semiconductor materials Manufacturing and marketing of precision-rolled copper, copper-alloy, and special steel products Manufacturing and marketing of precision fabricated products such as gold-plated products Recycling of non-ferrous metal materials and treatment of industrial waste for reuse
Capital	75,000 million yen (as of June 20, 2024)

This press release also serves as notice given under Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act of Japan based on a request made by JX Advanced Metals Corporation (the Tender Offeror) to ENEOS Holdings, Inc. (the Tender Offeror’s parent company).

June 20, 2024

To whom it may concern:

Company Name: JX Advanced Metals Corporation
Representative: Hayashi Yoichi
Representative Director, President
Chief Executive Officer
Contact person: Hasegawa Norihiko, Manager (Investor
relations),
Public Relations & Investor Relations Dept.
(Tel.: +81-3-6433-6088)

Notice Regarding Commencement of Tender Offer for
Shares of TATSUTA Electric Wire and Cable Co., Ltd. (Securities Code: 5809)

As announced in “Notice Regarding the Planned Commencement of Tender Offer for Shares of TATSUTA Electric Wire and Cable Co., Ltd. (Securities Code: 5809) by JX Nippon Mining & Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc.” dated December 21, 2022 (the “Tender Offeror Press Release dated December 21, 2022”), as well as “(Progress of Disclosed Matters) Notice Regarding Progress of Implementation of Tender Offer for Shares of TATSUTA Electric Wire and Cable Co., Ltd. (Securities Code 5809) by JX Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc.” dated June 30, 2023, September 26, 2023, December 27, 2023, January 31, 2024, February 29, 2024, March 26, 2024, April 26, 2024, May 31, 2024, and June 12, 2024 (hereinafter, the press release dated January 31, 2024 shall be referred to as the “Tender Offeror Press Release dated January 31, 2024” and the press release dated June 12, 2024 shall be referred to as “the “Tender Offeror Press Release dated June 12, 2024”), JX Advanced Metals Corporation (the “Tender Offeror” or “JX Metals”; which changed the trade name from JX Nippon Mining & Metals Corporation to JX Metals Corporation on June 28, 2023, and from JX Metals Corporation to JX Advanced Metals Corporation on May 14, 2024) hereby announces that today, it decided to implement a tender offer (referring to a tender offer under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”) and related laws and regulations; the “Tender Offer”) to obtain all of the shares of common stock (the “Target Company Shares”) of TATSUTA Electric Wire and Cable Co., Ltd. (Securities Code: 5809, Prime Market of the Tokyo Stock Exchange, Inc. (the “TSE”): the “Target Company”) (excluding the Target Company Shares directly owned by the Tender Offeror and the treasury shares owned by the Target Company) as part of the Transaction to make the Target Company a wholly-owned subsidiary of the Tender Offeror.

As announced in the Tender Offeror Press Release dated December 21, 2022, at its board of directors meeting held on that day, the Tender Offeror resolved to commence the Tender Offer as soon as the following conditions (collectively, the “Conditions Precedent to the Tender Offer”) are satisfied (or the Tender Offeror waives the Conditions Precedent to the Tender Offer) to make the Target Company its wholly-owned subsidiary, and aimed to commence the Tender Offer by June 2023: (i) necessary procedures and measures based on domestic and foreign competition laws (Note 1) have been completed, (ii) the unanimous approval and endorsement resolution at the board of directors' meeting of the Target Company is conducted legally and effectively, and there have been no changes or withdrawals, (iii) a positive opinion endorsing approval and offering in the Tender Offer has been issued by the special committee established by the Target Company, and there have been no changes or withdrawals, and (iv) there are no reasons causing material adverse effects on the financial condition of the Target Company (i.e., no material change in the business or property of the Target Company or its subsidiary, or no other circumstance that would significantly compromise the Tender Offeror’s ability to achieve the purpose of the Tender Offer as defined in the proviso to Article 27-11, Paragraph 1 of the FIEA, or similar or equivalent thereto; hereinafter the same) (Note 2).

(Note 1) This includes approval or expiration of the waiting period in relation to the notification required under the competition laws of Japan and China. With respect to the notification required under the competition laws of China, it was announced that the competition laws of China were scheduled to be reformed, which would increase the threshold for necessity of notification. Whether the threshold will be satisfied in relation to the Tender Offer would depend on the sale of Target Company Group (defined in “(i) Background, the purpose, and process leading to the determination to conduct the Tender Offer” of “(2) Background, the purpose, and decision-making process leading to the determination to conduct the Tender Offer, and the management policy after the Tender Offer” below) in China, which exceeds the threshold before the reformation (400 million RMB) but falls short of the threshold after the reformation (800 million RMB). As such, the Tender Offeror announced previously that the notification required under the competition laws of China would not be necessary in relation to the Tender Offer if the reformation comes into effect. However, as it was unclear when the specific effective date would be, the Tender Offeror submitted the notification required under the competition laws of China on January 17, 2023, which was accepted on February 23, 2023 and approved on June 11, 2024. As announced in the Tender Offeror Press Release dated January 31, 2024, reforms that increase the threshold for the necessity of notification pursuant to Chinese competition laws (among others) became effective as of January 26, 2024, however, the Chinese competition authority had indicated that it would not permit the Tender Offeror to withdraw the notification pursuant to Chinese competition laws and implement the Tender Offer, given the fact that the process of conducting discussions for remedies to address competition concerns was ongoing. Accordingly, the Tender Offeror did not apply for withdrawal of the notification in order to implement the Tender Offer immediately.

(Note 2) In addition to (i) to (iv) above, Conditions Precedent to the Tender Offer also included: (v) there are no pending applications, lawsuits, or proceedings seeking to prohibit or restrict the commencement of the Tender Offer filed with judicial or administrative authorities, and there is no judgment or decision by judicial or administrative authorities prohibiting or restricting the commencement of the Tender Offer, and (vi) there are no undisclosed material facts concerning the Target Company (referring to material facts as defined in Article 166, Paragraph 2 of the FIEA; hereinafter the same) or facts of the tender offer, etc. (referring to facts as defined in Article 167, Paragraph 2 of the FIEA; hereinafter the same).

As stated in the Tender Offeror Press Release dated June 12, 2024, the Tender Offeror has obtained clearance under the Chinese competition laws, and the necessary procedures and measures based on domestic and foreign competition laws have been completed. In response thereto, on June 20, 2024, the Tender Offeror confirmed as follows that all of the Conditions Precedent to the Tender Offer, including the completion of the necessary procedures and measures based on domestic and foreign competition laws, have been satisfied, and decided on that day to commence the Tender Offer on June 21, 2024. The terms and conditions of the Tender Offer (including the Tender Offer Price (defined in “(i) Background, the purpose, and process leading to the determination to conduct the Tender Offer” of “(2) Background, the purpose, and decision-making process leading to the determination to conduct the Tender Offer, and the management policy after the Tender Offer” below)) remain unchanged from those stated in the Tender Offeror Press Release dated December 21, 2022.

As stated above, the clearance under Chinese competition laws has been obtained; however, as a condition for obtainment of the clearance, the Tender Offeror is required to implement the remedies to address the competition concerns that include prohibition against supply of the products supplied by the Tender Offeror in combination with the products supplied by the Target Company in China without justifiable reasons for a certain period on and after the date on which such clearance was obtained.

(i) With respect to the notification required under the competition laws of Japan, on March 3, 2023, the Tender Offeror received a notice from the Fair Trade Commission to the effect that no prior notice of a cease and desist

order will be provided (Article 9 of the Rules on Applications for Approval, Reporting, Notification, etc. Pursuant to the Provisions of Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Fair Trade Commission Rule No.1 of 1953)), and confirmed that the no acquisition period for share acquisition through the Tender Offer (the “Share Acquisition”) will end on March 3, 2023. Furthermore, with respect to the notification required under competition laws of China, as stated in (Note 1) above, the Tender Offeror announced previously that the notification required under the competition laws of China would not be necessary in relation to the Tender Offer if the reformation which would increase the threshold for necessity of notification comes into effect. However, as it was unclear when the specific effective date would be, the Tender Offeror submitted the notification required under the competition laws of China on January 17, 2023, which was accepted on February 23, 2023. The State Administration for Market Regulation of the People’s Republic of China announced its decision to approve the Share Acquisition on June 11, 2024, and the Tender Offeror confirmed that the Share Acquisition was approved on the same day. As announced in the Tender Offeror Press Release dated January 31, 2024, reforms that increase the threshold for the necessity of notification pursuant to Chinese competition laws (among others) became effective as of January 26, 2024, however, the Chinese competition authority had indicated that it would not permit the Tender Offeror to withdraw the notification pursuant to Chinese competition laws and implement the Tender Offer, given the fact that the process of conducting discussions for remedies to address competition concerns was ongoing. Accordingly, the Tender Offeror did not apply for withdrawal of the notification in order to implement the Tender Offer immediately.

- (ii) The Tender Offeror received the following report from the Target Company: at the meeting held today, the Target Company’s board of directors found no factors as of today to change its opinion on the Tender Offer as of December 21, 2022, that it resolved to duly and validly express its opinion endorsing the Tender Offer and to recommend to the Target Company’s shareholders to tender in the Tender Offer, and the foregoing has not changed or been withdrawn. Pursuant to this report, the Tender Offeror confirmed that the resolution passed and the expressed opinion is unchanged and not withdrawn and remains valid today.
- (iii) The Tender Offeror received the following report from the Target Company: the Target Company’s special committee confirmed that regardless of the circumstances that occurred between December 21, 2022 and today, there were no circumstances that would change the report to the Target Company’s board of directors in favor of expressing an opinion endorsing the Tender Offer and to recommend to the Target Company’s shareholders to tender in the Tender Offer. The special committee submitted a written report that there is no change in the above opinion, and the content of the written report is unchanged and not withdrawn and remains valid. Pursuant to this report, the Tender Offeror confirmed that the written report was submitted to the board of directors, and that written report is unchanged and not withdrawn and remains valid as of today.
- (iv) The Tender Offeror received the following report from the Target Company: as of today, there are no reasons causing material adverse effects on the financial condition of the Target Company. Pursuant to this report, the Tender Offeror determined that such event has not occurred up to today.
- (v) The Tender Offeror received the following report from the Target Company: as of today, there are no pending applications, lawsuits, or proceedings seeking to prohibit or restrict the commencement of the Tender Offer filed with judicial or administrative authorities, and there is no judgment or decision by judicial or administrative authorities prohibiting or restricting the commencement of the Tender Offer. Pursuant to this report, the Tender Offeror confirmed that no such judgment exists today.

(vi) The Tender Offeror received the following report from the Target Company: as of today, there are no undisclosed material facts concerning the Target Company or facts of the tender offer, etc. Pursuant to this report, the Tender Offeror confirmed that no such fact exists today.

1. Purpose of the purchase

(1) Overview of the Tender Offer

As of today, the Tender Offeror directly owns 22,739,218 shares (ownership ratio (Note 1): 36.81%) of the Target Company Shares listed on the TSE Prime Market, and indirectly owns, through its subsidiary, JX Metals Trading Co., Ltd. (“JX Metals Trading”), 136,311 shares (Note 2) (ownership ratio: 0.22%) of the Target Company Shares listed thereon. By owning a combined total of 22,875,529 Target Company Shares (ownership ratio: 37.03%), the Tender Offeror holds the Target Company as an equity method affiliate.

(Note 1) “Ownership ratio” means the ratio to the number of shares (61,779,134 shares) obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2024 (8,377,260 shares) stated in the “Financial Results for the Fiscal Year Ending in March 2024 [Japanese GAAP] (Consolidated)” (the “Target Company Financial Results for the Fiscal Year Ending in March 2024”) submitted by the Target Company on May 14, 2024, from the total number of issued shares as of March 31, 2024 (70,156,394 shares) stated in the Target Company Financial Results for the Fiscal Year Ending in March 2024 (any fraction is rounded off to two decimal places; hereinafter the same for any ownership ratios calculated below).

(Note 2) The above 136,311 shares owned by JX Metals Trading includes 49,996 (rounded down to the nearest whole number) Target Company Shares indirectly owned through TATSUTA Electric Wire and Cable *Kyoeikai*, the business partner shareholding association for the Target Company’s business partners.

In the Tender Offer, the Tender Offeror has set the minimum number of shares to be purchased as 18,446,882 shares (ownership ratio: 29.86%); and if the total of the shares tendered for the Tender Offer (the “Tendered Shares”) falls short of the minimum number of shares to be purchased (18,446,882 shares), the Tender Offeror will purchase none of the Tendered Shares. On the other hand, as the Tender Offer purports to make the Target Company a wholly-owned subsidiary, the maximum number of shares to be purchased has not been set; and if the total number of the Tendered Shares is the same as or more than the minimum number of shares to be purchased, purchase of all of the Tendered Shares will be conducted. The minimum number of shares to be purchased (18,446,882 shares) is set as the number obtained by the following formula: first, multiply (a) the number of voting rights (617,791 voting rights) pertaining to the number of shares (61,779,134 shares) obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2024 (8,377,260 shares) stated in the Target Company Financial Results for the Fiscal Year Ending in March 2024 from the total number of issued shares as of March 31, 2024 (70,156,394 shares) stated in the Target Company Financial Results for the Fiscal Year Ending in March 2024 by (b) 2/3. Next, multiply the product (411,861 voting rights) (any fraction of less than one share in the total number shall be rounded off) by one share unit number of the Target Company (100 shares). Then, deduct, from the product (41,186,100 shares), the number of Target Company Shares owned by the Tender Offeror today (22,739,218 shares). Because the purpose of the Transaction is to make the Target Company a wholly-owned subsidiary of the Tender Offeror, when carrying out the procedures of the share consolidation stated in “(4) Policies regarding reorganization, among others, after the Tender Offer (matters regarding the so-called two-stage purchase)” below, a special resolution at a shareholders meeting stipulated in Article 309, paragraph 2 of the Company Act (Act No. 86 of 2005; as amended; hereinafter the same) will be a requirement; accordingly, in order to ensure the completion of the transaction (the “Transaction”) to acquire all Target Company Shares (excluding the Target Company Shares directly owned by the Tender Offeror and the treasury shares owned by the Target Company) and to make the Target Company a wholly-

owned subsidiary of the Tender Offeror, the minimum number of shares to be purchased was set in order to satisfy the requirement by ensuring that the Tender Offeror will own 2/3 or more of the voting rights of all shareholders of the Target Company after the Tender Offer.

In relation to the Tender Offer, the Tender Offeror did not explain the Tender Offer to JX Metals Trading, the consolidated subsidiary of the Tender Offeror, prior to announcing the scheduled commencement thereof in the interest of confidentiality, and did not agree with JX Metals Trading on tendering in the Tender Offer all Target Company Shares JX Metals Trading owns (total owned shares: 136,311 shares; total ownership ratio: 0.22%). However, the Tender Offeror requested that JX Metals Trading tender all Target Company Shares it owns in the Tender Offer after the announcement of the scheduled commencement of the Tender Offer, and was informed by JX Metals Trading on December 21, 2022 that it intends to tender all Target Company Shares it owns in the Tender Offer (no tender agreement has been executed).

If the Tender Offeror cannot obtain all of the Target Company Shares through the Tender Offer (excluding the Target Company Shares directly owned by the Tender Offeror and the treasury shares owned by the Target Company), after the completion of the Tender Offer, the Tender Offeror plans to implement a series of procedures stated in “(4) Policies regarding reorganization, among others, after the Tender Offer (matters regarding the so-called two-stage purchase)” below in order to make the Target Company its wholly-owned subsidiary.

According to the press release “Notice on Position Statement concerning Scheduled Commencement of a Tender Offer by JX Nippon Mining & Metals Corporation for Shares of the Company” dated December 21, 2022 and “Notice on Position Statement of support and recommendation to tender concerning Commencement of a Tender Offer by JX Advanced Metals Corporation for Shares of the Company” dated June 20, 2024 by the Target Company (collectively, the “Target Company Press Release”), at the meeting of the Target Company’s board of directors held on December 21, 2022, the Target Company adopted a resolution in connection with the Tender Offer to express an opinion in support of the Tender Offer and to recommend that its shareholders tender Target Company Shares in the Tender Offer when the Tender Offer commences, as the Target Company’s opinion as of that day.

Furthermore, as stated in “(ii) Decision-making process and reasons leading to the Target Company’s support of the Tender Offer” of “(2) Background, the purpose, and decision-making process leading to the determination to conduct the Tender Offer, and the management policy after the Tender Offer” below, at the meeting of the board of directors above, the Target Company also adopted a resolution (i) that upon the commencement of the Tender Offer, the Target Company would request that the special committee established by the Target Company (the “Special Committee”) deliberate over whether there is any change in the opinion expressed by the special committee to the meeting of the board of directors of the Target Company as of December 20, 2022 (the “Written Report dated December 20, 2022”), and state its opinion to the board of directors of the Target Company to that effect if there is no change in the previous opinion, and a changed opinion if there is any change; and (ii) that the Target Company would express its opinion on the Tender Offer again, when the Tender Offer is to be commenced in light of the opinion of the Special Committee. For details of the members and specific activities of the Special Committee, please see “(c) Independent special committee established, and a written report obtained, by the Target Company” of “(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)” of “(ii) Background of the valuation” of “(4) Basis for the valuation of the purchase price” of “2. Outline of the purchase” below.

According to the Target Company Press Release, on June 12, 2024, the Target Company received a notice from the Tender Offeror that, in response to the Tender Offeror having obtained clearance under the Chinese competition laws, and the necessary procedures and measures based on domestic and foreign competition laws having been completed, the Tender Offeror intends to commence the Tender Offer on June 21, 2024, on the assumption that all of the Conditions Precedent to the Tender Offer, including the completion of the necessary procedures and measures based on domestic and foreign

competition laws, have been satisfied. As stated in “(c) Independent special committee established, and a written report obtained, by the Target Company” of “(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)” of “(ii) Background of the valuation” of “(4) Basis for the valuation of the purchase price” of “2. Outline of the purchase” below, the Target Company requested that the Special Committee deliberate over whether there is any change in the opinion in the Written Report dated December 20, 2022, and state its opinion to the board of directors of the Target Company to that effect if there is no change, and a changed opinion if there is any change.

The Special Committee confirmed facts with the Target Company, including whether there has been any material change in circumstances that may affect the Transaction on or after December 21, 2022, and deliberated over the requested matters stated above. As a result, the Special Committee confirmed that regardless of the circumstances that occurred between December 21, 2022 and June 20, 2024, there were no circumstances that would change the content of the opinions of the Written Report dated December 20, 2022. Then, on June 20, 2024, based on unanimous resolution of all the members, the Special Committee submitted a written report that there is no change in the above opinion to the board of directors of the Target Company (the “Written Report dated June 20, 2024”).

After that, while paying the maximum respect to the content of the Written Report dated December 20, 2022 and Written Report dated June 20, 2024 submitted by the Special Committee, the Target Company carefully deliberated over the various conditions on the Tender Offer again; as a result, the Target Company found no factors as of today to change its opinion on the Tender Offer as of December 21, 2022. Therefore, at the meeting of the Target Company’s board of directors held today, the Target Company again resolved to express its opinion in support of the Tender Offer, and to recommend to the Target Company’s shareholders to tender in the Tender Offer, based on unanimous approval of all directors of the Target Company who participated in the resolution.

Furthermore, the resolutions at the above meetings of the Target Company’s board of directors held on December 21, 2022 and today were adopted on the premise that the Tender Offeror intended to make the Target Company a wholly-owned subsidiary of the Tender Offeror through the Tender Offer and the subsequent procedures, and that the Target Company Shares would be delisted from the Tokyo Stock Exchange.

For details on the Target Company’s decision-making process, please see the Target Company Press Release and “(e) Approval of directors of the Target Company with no interest in the Transaction” of “(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)” of “(ii) Background of the valuation” of “(4) Basis for the valuation of the purchase price” of “2. Outline of the purchase” below.

- (2) Background, the purpose, and decision-making process leading to the determination to conduct the Tender Offer, and the management policy after the Tender Offer
- (i) Background, the purpose, and process leading to the determination to conduct the Tender Offer

The Tender Offeror was originally established as Hitachi Mine of Kuhara Kogyo on December 26, 1905 after Fusanosuke Kuhara entered into a mountain purchase agreement to purchase Akazawa Copper Mine in Hitachi-shi, Ibaraki on December 11, 1905. Subsequently, on September 18, 1912 the private enterprise Kuhara Kogyo was reorganized to establish Kuhara Mining Co. (“Kuhara Mining”). In order to transition into a publicly-traded holding company, on December 29, 1928, Kuhara Mining changed its trade name to Nippon Sangyo Co. (“Nippon Sangyo”). On April 24, 1929, Nippon Sangyo mining and smelting division spun off to form Nippon Mining Co. (“Nippon Mining”). Subsequently, in November 1949, shares of Nippon Mining became listed on first section of the stock exchanges in Tokyo and Osaka,

respectively. The metals resources development, metals and metal fabrication businesses of Nippon Mining were succeeded to by Nippon Mining & Metals Co., Ltd. (established on May 28, 1992 “Nippon Mining & Metals”), which started operations on November 1, 1992. Shares of Nikko Metals subsequently became listed on the first section of the TSE on August 4, 1998. Meanwhile, after Nippon Mining & Metals spun off, Nippon Mining merged with Kyodo Oil Co. to form Nikko Kyodo Co. on December 1, 1992, which changed its trade name to Japan Energy Corporation (“Japan Energy”) on December 1, 1993. On September 27, 2002, Nippon Mining & Metals and Japan Energy established a joint holding company, Nippon Mining Holdings, Inc. (“Nippon Mining Holdings”) whose shares became listed on the first section of the stock exchanges of Tokyo, Osaka, and Nagoya respectively, and the shares of Nippon Mining & Metals and Japan Energy were delisted. On April 1, 2006, Nippon Mining & Metals, Kabushiki Kaisha Nikko Materials (Nikko Gould Foil Co. Ltd., which was established on April 7, 1981, succeeded to Japan Energy’s electronic materials business and changed its trade name on July 1, 1999; “Nikko Materials”) and Nikko Metal Manufacturing Co., Ltd. (spun-off from the metal fabrication business of Nippon Mining & Metals Co., Ltd. on October 1, 2003) merged and integrated, with Nikko Materials as the surviving company, to form the new Nippon Mining & Metals Co., Ltd (the “New Nippon Mining & Metals”).

On April 1, 2010, Nippon Mining Holdings and Nippon Oil Corporation established a holdings company, “JX Holdings, Inc. (“JX Holdings”),” by joint share transfer and reorganized group companies under their umbrella. As a result, on July 1, 2010, Nippon Mining Holdings absorbed New Nippon Mining & Metals by merger, and changed its trade name to JX Nippon Mining & Metals Corporation and converted into an industrial company. Subsequently, on January 1, 2016, the Japanese trade name of the company was changed to JX Metals Corporation. On April 1, 2017, JX Holdings changed its trade name to JXTG Holdings, Inc.; and on June 25, 2020, to ENEOS Holdings, Inc. (the parent company of the Tender Offeror; hereinafter “ENEOS Holdings”), respectively. Also on May 14, 2024, the Tender Offeror changed its the English trade name from JX Metals Corporation to the current JX Advanced Metals Corporation.

In its “2040 JXTG Group Long-Term Vision” announced on May 13, 2019, ENEOS Holdings states as one of its envisioned goals “to become one of the most prominent and internationally-competitive energy and materials company groups in Asia”. In the vision, the Tender Offeror is positioned as one of the three core industrial companies of ENEOS Holdings that is responsible for electronic materials and “Metal Resources Development, Copper Smelting and Refining.” The Tender Offeror is a wholly-owned subsidiary of ENEOS Holdings, and in principle has no commercial dealings with ENEOS Holdings, which is a pure holding company. However, personnel are dispatched from the Tender Offeror to ENEOS Holdings. The Tender Offeror’s business operation and important management decisions are conducted based on the president’s decision or board of directors’ resolution of ENEOS Holdings.

Under the recognition that ensuring a stable supply of non-ferrous resources and materials is its social mission, the Tender Offeror’s group (referring to a corporate group comprising the Tender Offeror, 70 consolidated subsidiaries, and 18 affiliates (as of today), and excluding the Target Company and the Target Company’s six consolidated subsidiaries (the “Tender Offeror Group”; hereinafter the same)) conducts business in the following five segments:

- (1) Functional materials business: The Tender Offeror Group is a global supplier of treated rolled copper foil, our mainstream product used in flexible printed circuit boards (Note 1), as well as high-functionality products such as titanium copper, Corson alloy (Note 2), and phosphor bronze used in connectors and other parts.
- (2) Thin film materials business: The Tender Offeror Group provides products on a global basis, such as a wide variety of sputtering targets (including those for semiconductors) (Note 3), compound semiconductor materials, high-purity metals, and surface treatment agents for highly functional devices including advanced IT equipment, medical instruments, and electric vehicles.

- (3) Mineral resources business: The Tender Offeror Group is seeking to maintain the stable operation and improve productivity of the Caserones copper mine located in the Republic of Chile, in which the Tender Offeror Group holds interest. The Tender Offeror Group is also actively engaging in exploration and research of rare metal mines, which is expected to have a growing demand in the field of advanced materials in the future.
- (4) Metals and recycling business: The Tender Offeror Group is able to efficiently use its smelting processes to take copper concentrate and recycled raw materials and supply high-quality metal products such as copper and precious metals. These products are then provided in a stable fashion in Japan and parts of Asia. In addition, the Tender Offeror Group also conducts detoxification business for industrial waste, by applying incineration and melting technologies cultivated in smelting.
- (5) Tantalum and niobium business: The Tender Offeror's subsidiary, TANI OBIS GmbH, is one of the world's leading manufacturers of materials made of tantalum and niobium, and is number one in the world in production and sales volume of metallic tantalum powder. The Tender Offeror Group, together with TANI OBIS GmbH, stably provides products such as metal powders used in capacitors and semiconductor materials, oxides for SAW devices (Note 4) and optical lenses, chlorides for semiconductors, and advanced power materials.

(Note 1) "Flexible printed circuit boards" refer to substrates with electrical circuits formed on a substrate consisting of a thin, soft film with insulating properties, such as polyimide, and an inductive metal, such as ultrathin copper foil.

(Note 2) "Corson alloy" refers to a type of special copper alloy with nickel and silicon as major sub-components.

(Note 3) "Sputtering targets" refers to a deposition material used to form thin films on substrates such as silicon wafers and glass by sputtering, which is a method of physical vapor deposition and is performed in a vacuum apparatus using inert gas.

(Note 4) "SAW device" refers to a filter device having a composition that excites surface acoustic waves by means of a thin film of piezoelectric substance or regular comb-shaped electrodes formed on a substrate.

The Tender Offeror published "JX Nippon Mining & Metals Group Long-Term Vision 2040" on June 27, 2019. The vision states "shifting to a technology-based from a process industry-type firm" as the key strategy, and positions functional materials business, thin film materials business, and tantalum and niobium business as the "Focus Businesses," and mineral resources business and metals and recycling business as "Base Businesses." By balancing both further development of the Focus Businesses as the core of its growth strategy and the Base Businesses that support the organizational base, the Tender Offeror is actively engaged in realizing sustainable growth and generating high profits in global business competition as well as realizing a sustainable society as envisioned by the SDGs.

Meanwhile, according to the Target Company Press Release, the Target Company was established in September 1945, and began manufacture and sale of electric wire and cable by October 1947. In July 1948, it changed its trade name to the current TATSUTA Electric Wire and Cable Co., Ltd., operating as a company specializing in electric wires and cables manufacturing power supply/distribution and telecommunication cables. In November 1981, the Target Company developed optical cables, and in January 1987 began development and sale of copper conductive paint. In March 2000, the Target Company began development and sale of EMI (electromagnetic interference) shielding film, which still remains its core product, and began shipping their in-house production in September 2003. Today, in addition to the electric wire and cable business and electronic materials business, the Target Company is applying its core technologies to various fields to enter the fields of sensors and medical business as well as environmental analysis business. In February 1954, shares of the Target Company became listed on the Osaka Stock Exchange Co., Ltd. (currently, Osaka Exchange, Inc.) (the "OSE") and

on the TSE in October 1961; then due to TSE's revision of market segmentation, it was transferred to the Prime Market of the TSE on April 4, 2022 (incidentally, because cash equity market of OSE was integrated into TSE in July 2013, the shares of the Target Company is currently not listed on the OSE). Furthermore, as of today, the Target Company has six consolidated subsidiaries (all of which are wholly-owned subsidiaries).

According to the Target Company Press Release, with the aim of achieving its management philosophy that "The Target Company Group will (i) continue to grow and enhance its corporate value on a mid to long-term basis by focusing on the wire and cable business and the electronic materials business as its core businesses, by continuously and actively making efforts to develop a business that will lead the next generation, and by promoting dynamic, speedy, fair, and highly transparent consolidated management, and (ii) contribute to sustainable development of society by providing unique products and services that fit customer needs while giving consideration to global environmental issues," the Target Company Group has engaged in business activities mainly in the wire and cable business, the electronic materials business, the sensor and medical business, and the environmental analysis business. The outline of each business is as follows.

(a) Wires and cables business

According to the Target Company Group, it manufactures and sells wires and cables for infrastructure and industrial equipment, in particular, (i) wires and cables for infrastructure used in power plants, (ii) wires and cables for industrial equipment in all kinds of fields, including railways, FA (Note 5), robots, audio, and broadcasting.

(b) Electronic materials business

According to the Target Company Group, it manufactures and sells EMI shielding films for electronic devices, conductive pastes for electronic devices, and fine wire for electronic component wiring.

(c) Sensor and medical (medical device materials) business

According to the Target Company Group, in the sensor business, it manufactures and sells products which use its leakage detection technology, high-precision, high-quality optical fiber (Note 6) applications, and sensing technology (Note 7). Furthermore, in the medical (medical device materials) business, the Target Company Group uses the elemental technologies accumulated in the development and manufacture of electric wires, cables, and functional materials, to medical equipment in order to manufacture and sell medical devices, components, and materials such as medical sensors, tubes, and electric wires.

(d) Environmental analysis business

According to the Target Company Group, it not only analyzes and measures water quality, air pollution, soil contamination, working environment, noise and vibration, increasingly surfacing hazardous substances, including asbestos, dioxins, and PCBs (Note 8), RoHS (Note 9), and causes of product failures and defects, but also provides various services such as soil contamination surveys and remediation as well as consulting such as guidance for improvement of work environment.

(Note 5) "FA" stands for "Factory Automation" and is a generic term for systems to automate production processes.

(Note 6) "Optical fiber" refers to wire made of materials such as glass and transparent plastic processed into covered long, thin strip.

(Note 7) “Sensing technology” is a generic term for technologies that measure and quantify various types of information using sensing devices called sensors.

(Note 8) “PCB” stands for “Poly Chlorinated Biphenyl.”

(Note 9) “RoHS” stands for “Restriction of the use of certain hazardous substances in electrical and electronic equipment” and refers to a directive by the European Union on the restriction of the use of certain hazardous substances in electrical and electronic equipment.

According to the Target Company Group, the main raw material of the Target Company Group’s products is copper, which it procures from business partners such as Pan Pacific Copper Co., Ltd., an equity method affiliate of the Tender Offeror Group.

Nippon Mining, the predecessor of the Tender Offeror supplied copper raw materials for electric wires to the Target Company, and formed capital ties with the Target Company in 1954, in response to its request for financial support in order to eliminate cash shortages due to a slump in the electric wire industry. Thereafter, when the metals and metal fabrication businesses of Nippon Mining were spun off into a separate entity, Nippon Mining & Metals, in November 1992 as stated above, 22,257,000 shares (ratio of shares owned to total number of outstanding shares at the relevant time (“Investment Ratio”): 30.31%) held by then Nippon Mining were succeeded to by Nippon Mining & Metals. Subsequently, due to transactions such as conversion of convertible bonds by the Target Company, Nippon Mining & Metals held 22,277,000 shares (Investment Ratio: 30.34%) in March 1994; 22,287,000 shares (Investment Ratio: 30.35%) in March 1995; 22,697,218 shares (Investment Ratio: 30.91%) in March 1997; and 22,739,218 shares (Investment Ratio: 30.95%) in March 2000. In April 2006, 22,739,218 shares (Investment Ratio: 32.41%) held by the New Nippon Mining & Metals (which was formed by the aforementioned merger and integration of Nippon Mining & Metals in April 1, 2006) were succeeded to Nippon Mining Holdings. In July 2010, 22,739,218 shares (Investment Ratio: 32.41%) held by Nippon Mining Holdings were succeeded to by JX Holdings (which changed its trade name to JXTG Holdings, Inc. in April 2017, and which is currently ENEOS Holdings).

In order to respond to drastic increase in the use of electronic components and devices with the upcoming IoT and AI society, the Tender Offeror has been working to develop and strengthen its electronic materials business, included among the core technology-based businesses for focus in its Medium-Term Management Plan for the fiscal years 2017 to 2019. As a series of these efforts, on June 27, 2018, the Tender Offeror acquired Target Company Shares (22,739,218 shares, Investment Ratio: 32.41%) held by then JXTG Holdings, Inc., and made the Target Company an equity method affiliate in order to enable more rapid and effective business development in the downstream areas of the metals business, particularly in electronic materials, by strengthening the relationship with the Target Company through direct capital ties. This transaction enabled, in addition to the Tender Offeror supplying electrolytic copper, gold shot/silver balls, and rolled copper foil to the Target Company, both companies to obtain information concerning startup technologies and business through startup events and venture capitals, exchange the information, and search startups which potentially contribute the business of both companies in and outside Japan, thereby deepening technological alliance.

According to the Target Company Group, towards achievement of the management philosophy, on May 12, 2017, the Target Company Group formulated the “Long-Term Vision 2025,” a long-term business strategy that sets out the Group’s core competence as well as future direction and ideal image (business model) in relation to business operation during the nine-year period from 2017 to 2025. In implementing the long-term vision, the Target Company Group divided its businesses into three groups, i.e., “for-profit businesses,” “for-growth businesses,” and “mid- to long-term development businesses,” in accordance with their growth phase and competitiveness, etc., and has developed these businesses by setting

target periods, i.e., the first period (FY 2017 to FY 2019), the second period (FY 2020 to FY 2022), and the third period (FY 2023 to FY 2025).

According to the Target Company Group, in FY 2022, which is the final fiscal year of the second period (FY 2020 to FY 2022) in the Long-Term Vision 2025, it was expected that the shortage of semiconductors would be resolved gradually and that economic activities would recover from the COVID-19 issues; however, the plan failed significantly, mainly because energy and raw material prices were rising and the for-growth businesses were still yet to contribute to revenue. The Target Company Group recognized that it was necessary to reverify the goals and the timing of achievement thereof, etc. for the third period (FY 2023 to FY 2025) in the Long-Term Vision 2025. In FY 2023, the Target Company Group focused intensively on recovery of its current business performance as a highest priority issue, and achieved certain results. However, considering the continued high levels of resource and energy costs, along with the rising prices and labor costs, the business environment remains unclear. Considering this, in FY 2024, the Target Company Group intends to continue reviewing its goals and the timing of achievement thereof, etc. for the third period (FY 2023 to FY 2025) in its Long-Term Vision 2025. In the long-term vision, the Target Company Group aims to achieve 100 billion yen of sales and 10 billion yen of operating income in FY 2025, and it aims to become a niche top supplier that provides unique cutting-edge parts and materials by exploiting frontiers of wires and electronic materials. In order to achieve this, as its basic policy, the Target Company Group will pursue growth by actively investing in the functional paste field and the medical device component field in which market expansion is particularly expected, and will pursue maximization of earned profits by promoting efficient investments and shifting to highly functional products in other existing business fields.

According to the Target Company Group, although the business environment is unclear and severe, since the products and services provided by the Target Company Group will be needed in connection with the development of IoT (Internet of Things), AI (artificial intelligence), 5G communication, and the sophistication of health care, etc., there is no change in the mid to long-term projection that demand will expand, and the Target Company Group has addressed various issues and has made efforts in sales promotion and product development activities in line with the recovery of economic activities that stagnated due to the COVID-19 issues.

According to the Target Company Group, major efforts being made in relation to each business are as follows:

(a) Wires and cables business

According to the Target Company Group, it previously positioned electric wire and cable business and domestic equipment wire and cable business as “for-profit businesses,” and overseas equipment wire and cable business as “mid- to long-term development businesses” and in order to further “expand into new/overseas markets”, “develop high function and differentiated new products”, and “plan/implement measures to enhance product lineup through alliance, etc. and to strengthen manufacturing and sales system,” in July 2021, the Target Company Group consolidated the Electric Wire & Cable Division and the Equipment Wire and Cable Division to form “Wire & Cable Group,” and newly established the “Market Development Division.” Furthermore, although Changzhou Tatsuta Chugoku Electric Wire & Cable Co., Ltd. has expanded its sales locations to promote the equipment wire and cable business outside Japan, it will hereafter promote sales and production networking to increase production and sales.

(b) Electronic materials business

According to the Target Company Group, in relation to its main product functional films, it expects that millimeter wave (Note 10) mobile phone base stations and device models will increase to enable higher speed communications with mobile communication devices, and that it has already developed shielding film that is compatible with millimeter wave and will capture business opportunities with full-scale spread of such devices. In addition, according to the Target Company Group,

it has developed highly heat-resistant, electromagnetic wave shielding film for in-vehicle electronic components such as sensors, cameras, inverters (Note 11), power windows, headlights and other instruments, from which further growth is expected. The Target Company is diligently engaging in making the shielding film for automobile applications the second business pillar following the shielding films for smartphones.

Furthermore, according to the Target Company Group, partly due to the delay in certification process by corporate clients, the functional paste business, which it positioned as a for-growth business, is still yet to contribute to the Target Company's revenue. However, certification of materials at corporate clients is underway, and the Target Company Group will continue to work vigorously so that it accurately responds to requests from corporate clients and advance to the mass production stage.

(c) Sensor and medical (medical device materials) business

Furthermore, according to the Target Company Group, in the medical (medical device materials) business, which it positioned as for-growth business, it started production and sales of PDT probes (Note 12) for minimally invasive cancer treatment (Note 13) utilizing its optical fiber technology and mass production of OEM products for major medical equipment manufacturers. Furthermore, the Target Company Group started a capital and business alliance with a startup company developing advanced medical technology products, to contract manufacture products of both companies in the mass production phase, and focus on new product development by combining their technology.

(d) Environmental analysis business

According to the Target Company Group, to drive further growth, it will promote high added value as part of its business by, among other efforts, shortening the time required for dioxins analysis, and providing one-stop solutions of soil and environment business including soil analysis, and enhance efficiency and service quality through DX (digital transformation).

(Note 10) "Millimeter wave" refers to radio wave with wavelengths from 1 to 10 millimeters and frequencies from 30 to 300 gigahertz.

(Note 11) "Inverters" refer to circuits for converting DC current to AC current

(Note 12) "PDT probe" refers to "Photodynamic Therapy."

(Note 13) "Minimally invasive cancer treatment" refers to cancer treatment with less burden on the body.

The environment surrounding the non-ferrous metal industry to which the Tender Offeror and the Target Company belongs is drastically changing and demands various responses to issues such as growing scarcity and depletion of resources, shrinking domestic market, and expanding needs for advanced materials. In such situation, the Tender Offeror Group recognizes that as a global company, achieving both sustainable growth and commitment to international development goals beginning with SDGs is a requisite. As stated above, the Tender Offeror published "JX Nippon Mining & Metals Group Long-Term Vision 2040" on June 27, 2019 in its aim to become a global firm that fosters the development and innovation in society in the advanced materials field by changing into a "technology-based firm." By balancing both further development of the Focus Businesses as the core of its growth strategy and the Base Businesses that support the organizational base, the Tender Offeror is actively engaged in realizing sustainable growth and generating high profits in fierce global business competition as well as realizing a sustainable society as envisioned by the SDGs. Meanwhile, the

Target Company, recognizing the urgent need for change in its business portfolio due to underlying stagnant domestic market in the sector of its founding business, the electric wire and cable sector, as well as issues such as price competition in said sector, drafted “2025 Long-Term Vision” on May 12, 2017 in order to reinforce the electronic materials business, including functional films, and grow into a company that achieves both high returns and sales scale. It promotes various efforts such as investing in the functional paste field and the medical device component field in which market expansion is expected in order to become a niche top supplier that provides unique cutting-edge parts and materials by exploiting frontiers of wires and electronic materials as well as pursuing growth.

The Tender Offeror believes that both companies’ efforts are headed in the same direction in that the Target Company positions its founding electric wire and cable business, and the Tender Offeror its metal smelting and refining business, as businesses to support their organizational base as stated above, while positioning business related to electronic materials, which is expected to grow, as the core of their growth strategy in which they may employ their technologies accumulated through the founding business over the long term. In order to demonstrate synergy with the Target Company, the Tender Offeror has been deliberating over how to position the Target Company’s business in the Tender Offeror’s portfolio, such as by aforementioned transfer of the Target Company Shares held by JXTG Holdings to the Tender Offeror in 2018. In particular, in order for the Tender Offeror to achieve its “2040 JXTG Group Long-Term Vision,” growth of the “Focus Businesses” and stabilization of the “Base Businesses” are requisite, and Tender Offeror believes that the Target Company’s electronic materials business and electric wire and cable business would both contribute to such need.

In such a situation, the Tender Offeror deliberated over further reinforcement of the relationship with the Target Company. The Tender Offeror believes that with the current relationship in which the Target Company is an equity method affiliate, from the perspective of speed and efficiency of decision-making and confidentiality of technical information, etc., mutual use of various management resources, such as human resources and know-how of both companies, is insufficient to generate the synergies stated in (a) to (d) below. Therefore, in order to enjoy the synergies stated in (a) to (d) below and to further improve corporate value of both companies, in early July 2022, the Tender Offeror found it desirable to have a relationship in which the Target Company is a wholly-owned subsidiary, which may eliminate restrictions on mutual use of management resources and integrate such resources. The Target Company believes that if it becomes able to use resources of the Tender Offeror Group through the Transaction, with the Target Company Group’s management independence being respected, the Target Company may get various options in developing the Target Company’s business and being able to carry out business operation more actively, which will lead to maintaining and improving the motivation of the Target Company Group’s employees. Furthermore, the Tender Offeror has a policy to respect the Target Company’s independence for the Target Company Group’s commercial transactions and business partners, and the Tender Offeror does not plan to get involved in details of the transactions; therefore, the Tender Offeror believes that there will be no adverse effect on relationship with the Target Company Group’s important business partners.

The Tender Offeror believes that it may expect synergies including the following through the Transaction:

(a) Efficient use of management resources of both companies

At present, as both companies interact with each other with the perspective of optimizing their own business under certain restrictions in information sharing, etc., the effects of using both companies’ management resources are limited. However, the Tender Offeror believes that implementation of more active personnel exchanges between both companies, and mutual complementation and optimization of various features, such as financial foundation, will contribute to achievement of the Target Company’s long-term vision and to its future continuous growth. Specifically, through mutual complementation and optimization in networks under the management and planning, technology strategies, overseas bases, basic technology development, collaboration with start-up companies, and M&A, the Tender Offeror believes that the Target Company will become able to respond to the

revolution of global supply chain in the growing fields of both companies and a sense of speed specific to the electronics market, and it will also become able to reinforce company size capable of obtaining outside credit necessary at the time of start-up and use of M&A and ability to procure funds to withstand risk, as well as enhance human resources that may take charge of such measures.

(b) Further collaboration in important technology

At present, highly confidential intellectual properties are undisclosed between both companies. However, the Tender Offeror believes that if knowledge, technology, information, materials and know-how, etc. that the Tender Offeror Group and the Target Company respectively own are integrated through the Transaction, and diversity and profundity thereof grow, effects of mutual complementation from the long-term perspective, including cross-selling, in which both companies have the other company sell their own products, and tech-scouting, which is an activity of the Tender Offeror to explore technologies contributing to resolution of technology issues for the Target Company's business departments and development departments, may be expected. In addition, the Tender Offeror believes that maximizing opportunities to use them may contribute to improvement in the utility value of the Target Company's R&D products and success rate in R&D.

(c) Further reinforcement of business competitiveness in the electronic materials field

At present, the Target Company has not implemented personnel exchange of tech human resources and use of the technology development center, from the perspective of economic benefits of both companies, and the Tender Offeror has not shared customer information and market information with the Target Company from the perspective of information management. However, the Tender Offeror believes that elimination of these restrictions through the Transaction, further promotion of a cooperation system in the development field, such as the functional films business, functional paste business, and medical device component business, and sales expansion, etc. of the Target Company's electronic materials by using the Tender Offeror's information network in supply chains will contribute to further growth of the Target Company's business. As a specific example of the cooperation system, the Tender Offeror believes that development of new products by using high-performance rolling copper foil technology, metal film forming technology, and simulation technology, held by the Tender Offeror, may be expected.

(d) Reinforcement of the business base of the Target Company's wire and cable business and the Tender Offeror's metal business

The Tender Offeror believes that if the conflict-of-interest relationship between both companies currently making sales transactions of electrolytic copper, a raw material of wire and cable, is dissolved through the Transaction, it will be able to further reinforce stable procurement/supply systems for electrolytic copper in both of the Tender Offeror and the Target Company. In addition, the Tender Offeror believes that promotion of the use of/cooperation in management resources of the Tender Offeror Group and the Target Company Group, such as the network for scrap collection, will lead to stable securement of copper scrap and, by promoting recycling, establishment of an SDG promotion structure. In particular, the Tender Offeror believes that if the quantity and quality of information shared between both companies are improved and relationships regarding preferential supply of copper materials from the Tender Offeror to the Target Company and supply of scrap from the Target Company to the Tender Offeror depending on the demand become stronger, the Tender Offeror's percentage of recycled raw materials may increase.

Considering the deliberation stated above, in mid-July 2022, the Tender Offeror appointed Daiwa Securities, Ltd. (“Daiwa Securities”) as a financial advisor and third-party valuation organization independent of the Tender Offeror and the Target Company, and in late July 2022, it appointed Nishimura & Asahi (currently Nishimura & Asahi (Gaikokuho Kyodo Jigyo); “Nishimura & Asahi”) as a legal advisor, by which the Tender Offeror established a structure to deliberate over the Transaction. Then, after internal deliberation, on September 26, 2022, the Tender Offeror submitted a specific written proposal regarding making the Target Company a wholly-owned subsidiary through the Tender Offer (the “Written Proposal”) to the Target Company. Thereafter, the Target Company established a structure for deliberation such as the Special Committee.

Moreover, the Tender Offeror conducted due diligence to investigate the feasibility of the Transaction from early November 2022 to early December 2022. Concurrently, from late November 2022, the Tender Offeror held several discussions with the Target Company on the purchase price per Target Company Share under the Tender Offer (the “Tender Offer Price”). Specifically, the Tender Offeror made the first proposal on the Tender Offer Price on November 25, 2022 (610 yen per share; a premium of 36.77% on the closing price of 446 yen on the proposal date of November 25, 2022 (any fraction is rounded off to two decimal places; hereinafter the same for the calculation of the premium rate)). Based on a request for re-deliberation on the details of the proposal from the Special Committee on November 29, 2022, stating that the proposal did not reach an appropriate price, the Tender Offeror subsequently deliberated over the Tender Offer Price with Daiwa Securities, the Tender Offeror’s financial advisor, and made the second proposal on the Tender Offer Price for the Target Company on December 6, 2022 (680 yen per share; 60.00% premium on the closing price of 425 yen on the proposal date of December 6, 2022). Based on another request for re-deliberation on the details of the proposal from the Special Committee on December 8, 2022, stating that the proposal still did not reach the appropriate price, the Tender Offeror subsequently deliberated over the Tender Offer Price with Daiwa Securities, the Tender Offeror’s financial advisor, and made the third proposal on the Tender Offer Price for the Target Company on December 9, 2022 (710 yen per share; 66.67% premium on the closing price of 426 yen on the proposal date of December 9, 2022). Based on another request for re-deliberation on the details of the proposal from the Special Committee on December 12, 2022, stating that the proposal still did not reach the appropriate price, the Tender Offeror subsequently deliberated over the Tender Offer Price with Daiwa Securities, the Tender Offeror’s financial advisor, and made the fourth proposal on the Tender Offer Price for the Target Company on December 14, 2022 (720 yen per share; 67.44% premium on the closing price of 430 yen on the proposal date of December 14, 2022). Based on another request for re-deliberation on the details of the proposal from the Special Committee on December 15, 2022, stating that the proposal still did not reach the appropriate price, the Tender Offeror subsequently deliberated over the Tender Offer Price with Daiwa Securities, the Tender Offeror’s financial advisor, and reached a conclusion that the fourth proposal reflected the Target Company’s value to the maximum extent, including synergies which may be assumed by the Tender Offeror, and that it was difficult to increase the amount from the price of the fourth proposal; therefore, the Tender Offeror made the fifth proposal on the Tender Offer Price for the Target Company on December 16, 2022 (720 yen per share; 70.62% premium on the closing price of 422 yen on the proposal date of December 16, 2022). Based on another request for re-deliberation on the details of the proposal from the Special Committee on December 19, 2022, stating that the proposal still did not reach the appropriate price, the Tender Offeror subsequently deliberated over the Tender Offer Price with Daiwa Securities, the Tender Offeror’s financial advisor, and made the sixth proposal on the Tender Offer Price for the Target Company on the same date, stating that it reached a conclusion that the fourth proposal reflected the Target Company’s value to the maximum extent, including synergies which may be assumed by the Tender Offeror, and that it was difficult to increase the amount from the price of the fourth proposal, as well as stating that the price was set so that the Target Company’s future growth value could be enjoyed by all of the Target Company’s shareholders (720 yen per share; 69.81% premium on the closing price of 424 yen on the proposal date of December 19, 2022). As a result of such discussions and negotiation, on December 19, 2022, the Tender Offeror and the Target Company reached an agreement to set the Tender Offer Price at 720 yen.

Through these discussions and negotiations, at the meeting of the board of directors held on December 21, 2022, the Tender Offeror resolved to set the Tender Offer Price at 720 yen, in order to make the Target Company the Tender Offeror's wholly-owned subsidiary, and published the Tender Offeror Press Release dated December 21, 2022 on that day.

Until the resolution by the Tender Offeror's board of directors stated above was made, in accordance with the progress of discussions and negotiations between the Tender Offeror and the Target Company stated above, details of such discussions and negotiations were reported at meetings of the board of directors of ENEOS Holdings. On top of that, at the meeting of the board of directors held on December 21, 2022, ENEOS Holdings resolved to set the Tender Offer Price at 720 yen, in order to make the Target Company the Tender Offeror's wholly-owned subsidiary. Thereafter, the Target Company lately published Target Company Financial Results for the Fiscal Year Ending in March 2024. Even based on the above, the Tender Offeror believes that there were no events that would have a material impact on the Target Company's corporate value and it decided to commence the Tender Offer without changing the Tender Offer Price.

In addition, as stated in "(1) Overview of the Tender Offer" above, in response to the Tender Offeror having obtained clearance under the Chinese competition laws, and the necessary procedures and measures based on domestic and foreign competition laws having been completed, on June 20, 2024, the Tender Offeror confirmed that all of the Conditions Precedent to the Tender Offer, including the completion of the necessary procedures and measures based on domestic and foreign competition laws, have been satisfied, and decided on that day to commence the Tender Offer on June 21, 2024. As announced in the Tender Offeror Press Release dated December 21, 2022, at its board of directors meeting held on December 21, 2022, ENEOS Holdings resolved to set the Tender Offer Price at 720 yen in order to make the Target Company the Tender Offeror's wholly-owned subsidiary; however, unless decision-making on matters beyond the content of such resolution is necessary, resolution by the board of directors of ENEOS Holdings is not required upon commencement of the Tender Offer.

(ii) Decision-making process and reasons leading to the Target Company's support of the Tender Offer

According to the Target Company Press Release, as stated in "(i) Background, the purpose, and process leading to the determination to conduct the Tender Offer" above, the Target Company received the Written Proposal on September 26, 2022. Considering such proposal, in order to take great care in the Target Company's decision-making on the Transaction, to eliminate risk of arbitrariness and a conflict of interest in a decision-making process of the Target Company's board of directors, and to ensure the fairness thereof, the Target Company established the Special Committee consisting of three outside directors of the Target Company, Mr. Takeshi Hanai, Mr. Inao Harato (attorney-at-law), and Ms. Etsuko Taniguchi (certified public accountant), which is independent of the Tender Offeror Group and the Target Company Group, on October 11, 2022 (for matters such as the background of the establishment of the Special Committee, the background of its deliberation, and the details of its decision, please see "(c) Independent special committee established, and a written report obtained, by the Target Company" of "(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)" of "(ii) Background of the valuation" of "(4) Basis for the valuation of the purchase price" of "2. Outline of the purchase" below), and appointed Mizuho Securities Co., Ltd. ("Mizuho Securities") as a financial advisor and third-party valuation organization, and TMI Associates as a legal advisor on the same date. In addition, as stated in "(e) Approval of directors of the Target Company with no interest in the Transaction" of "(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)" of "(ii) Background of the valuation" of "(4) Basis for the valuation of the purchase price" of "2. Outline of the purchase" below, the Target Company established a structure to deliberate over, negotiate and make decisions on the Tender Offer independent of the Tender Offeror Group and the Target Company Group within the Target Company (including scope of the Target Company's officers and employees involved in the deliberation, negotiation and decision-making of the Tender Offer, and their duties), and has proceeded with deliberation.

After establishing the above structure, based on negotiation policies confirmed in advance by the Special Committee, or its opinions, instructions, and requests, etc. in important phases of negotiation, and while receiving advice from Mizuho Securities and TMI Associates, the Target Company conducted discussions and negotiation several times with the Tender Offeror regarding whether to conduct the Tender Offer.

Specifically, the Target Company received the first proposal on the Tender Offer from the Tender Offeror on November 25, 2022 (610 yen per share; a premium of 36.77% on the closing price of 446 yen on the proposal date of November 25, 2022). However, on November 29, 2022, the Target Company comprehensively considered (i) the past transition of the market share price of the Target Company Shares, (ii) results of a test calculation of the share valuation by Mizuho Securities, the Target Company's financial advisor, and (iii) the fact that the standard of 1x PBR is one of the standards widely recognized by the Target Company's shareholders, according to discussions in the TSE and Ministry of Economy, Trade and Industry, etc.; as a result, the Special Committee requested the Tender Offeror re-deliberate over the details of the proposal, stating that it did not reach an appropriate price. After that, the Target Company received the second proposal on the Tender Offer Price from the Tender Offeror on December 6, 2022, which was based on the request for re-deliberation from the Special Committee (680 yen per share; 60.00% premium on the closing price of 425 yen on the proposal date of December 6, 2022). However, on December 8, 2022, based on the thought process above, the Special Committee requested for re-deliberation of the details of the proposal, stating that it still did not reach the appropriate price. Subsequently, the Target Company received the third proposal on the Tender Offer Price from the Tender Offeror on December 9, 2022, which was based on the request for re-deliberation from the Special Committee (710 yen per share; 66.67% premium on the closing price of 426 yen on the proposal date of December 9, 2022). However, on December 12, 2022, based on the through process above, the Special Committee requested for re-deliberation of the details of the proposal, stating that it still did not reach the appropriate price. Later, the Target Company received the fourth proposal on the Tender Offer Price from the Tender Offeror on December 14, 2022, which was based on the request for re-deliberation from the Special Committee (720 yen per share; 67.44% premium on the closing price of 430 yen on the proposal date of December 14, 2022). However, on December 15, 2022, the Special Committee requested for re-deliberation of the details of the proposal, stating that it still did not reach the appropriate price. After that, the Target Company received the fifth proposal on the Tender Offer Price from the Tender Offeror on December 16, 2022, stating that the fourth proposal on the Tender Offer Price reflected the Target Company's value to the maximum extent, including synergies which may be assumed by the Tender Offeror, and that it was difficult to increase the amount from the price of the fourth proposal (720 yen per share; 70.62% premium on the closing price of 422 yen on the proposal date of December 16, 2022). However, on December 19, 2022, the Special Committee requested for re-deliberation of the details of the proposal, stating that it still did not reach the appropriate price. Thereafter, the Target Company received the sixth proposal on the Tender Offer Price from the Tender Offeror on the same date, stating that the Tender Offeror reached a conclusion that the fourth proposal on the Tender Offer Price reflected the Target Company's value to the maximum extent, including synergies which may be assumed by the Tender Offeror, and that it was difficult to increase the amount from the price of the fourth proposal, as well as stating that the price was set so that the Target Company's future growth value could be enjoyed by all of the Target Company's shareholders (720 yen per share; 69.81% premium on the closing price of 424 yen on the proposal date of December 19, 2022).

Then, while considering the content of the share valuation report obtained as of December 20, 2022 from Mizuho Securities (the "Target Company Share Valuation Report dated December 2022") and legal advice received from the legal advisor, TMI Associates, on points to note for decision-making on the Transaction including the Tender Offer, as well as paying the maximum respect to the content of the Written Report dated December 20, 2022 submitted by the Special Committee (for the outline of the Written Report dated December 20, 2022 please see "(c) Independent special committee established, and a written report obtained, by the Target Company" of "(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)" of "(ii) Background of the valuation" of "(4) Basis for the valuation of the purchase price" of "2. Outline of the purchase" below), on December 21, 2022, the Target Company carefully conducted deliberation and negotiation in terms of matters such as whether the

corporate value may be improved through the Transaction and whether various conditions on the Transaction are appropriate.

As a result, the Target Company decided that the Transaction will contribute to the improvement of the Target Company's corporate value in terms of the following matters.

Considering the market environment and economic circumstances such as those stated in "(i) Background, the purpose, and process leading to the determination to conduct the Tender Offer" above, the Target Company recognizes that it is in a situation where goals and the timing of achievement thereof, etc. of the Target Company's long-term vision require re-deliberation. In such a situation, the Target Company believes that if it joins the Tender Offeror Group and becomes able to use resources of the Tender Offeror Group, with the Target Company's management independence being respected, the Target Company may get various options in developing the Target Company's business and being able to carry out business operation more actively. In addition, thereby, areas of duties which the Target Company's employees may work on will expand; therefore, the Target Company believes that even if it ceases to be a listed company, it may maintain and improve the motivation of its employees. Furthermore, the Tender Offeror has a policy to respect the Target Company's independence for the Target Company's commercial transactions and business partners, and the Tender Offeror is not supposed to get involved in details of the transactions; therefore, the Target Company believes that there will be no adverse effect on relationship with the Target Company's important business partners.

The Target Company believes that it may expect effects including the following through the Transaction.

(a) Efficient use of management resources of both companies

The Target Company believes that implementation of more active personnel exchanges between both companies, and mutual complementation and optimization of various features, such as financial foundation, will contribute to achievement of the Target Company's long-term vision and to its future continuous growth. Specifically, through mutual complementation and optimization in network, etc. under the management and planning, technology strategies, overseas bases and M&A, the Target Company believes that it will become able to respond to the revolution of global supply chain in the growing fields of both companies and a sense of speed specific to the electronics market, and it will also become able to reinforce company size capable of obtaining outside credit necessary at the time of start-up and use of M&A and ability to procure funds to withstand risk.

(b) Further reinforcement of business competitiveness in the electronic materials field

The Target Company believes that further promotion of a cooperation system in the development field, such as the functional films business, functional paste business, and medical device component business, and sales expansion, etc. of the Target Company's electronic materials by using the Tender Offeror's information network in supply chains will contribute to further growth of the Target Company's business. As a specific example of the cooperation system, the Target Company believes that it may expect development of new products by using high-performance rolling copper foil technology, metal film forming technology, and simulation technology, held by the Tender Offeror.

(c) Reinforcement of the business base in the wire and cable field

The Target Company believes that it will be able to further reinforce stable procurement/supply systems for electrolytic copper in both of the Tender Offeror and the Target Company. In addition, the Target Company believes that promotion of the use of/cooperation in management resources of the Tender Offeror Group and the

Target Company Group, such as the network for scrap collection, will lead to stable securement of copper scrap and, by promoting recycling, establishment of an SDG promotion structure. In particular, the Target Company believes that if the quantity and quality of information shared between both companies are improved and relationships regarding preferential supply of copper materials from the Tender Offeror to the Target Company and supply of scrap from the Target Company to the Tender Offeror depending on the demand become stronger, the percentage of recycled raw materials in the Tender Offeror's electrolytic copper may increase. In addition, the Target Company believes that in the long run, an increase of the percentage of recycled raw materials in electrolytic copper may lead to improvement of added value of products in the wire cable business, which is difficult to differentiate from those of other companies, and expansion of business opportunities. Furthermore, the Target Company believes that through using overseas bases and overseas network, etc. held by the Tender Offeror, overseas expansion of the wire and cable field may be promoted.

(d) Reduction of cost for continuing listing and workload in administrative departments

The structure to continue listing of the Target Company Shares needs to be reinforced year by year through measures such as addressing continued listing criteria for new market segments developed in recent years and revisions of the corporate governance code. The cost for continuing listing in connection with the above measures is increasing year by year, and the Target Company believes that if the Tender Offeror becomes the Target Company's only shareholder and the Target Company becomes its wholly-owned subsidiary through the Transaction, the cost for continuing listing and workload for continuing listing may be reduced.

In addition, with respect to the Tender Offer Price, based on the discussions and negotiation above, the Target Company took into account the following matters: (i) according to share valuation results of the Target Company Shares in the Target Company Share Valuation Report dated December 2022 by Mizuho Securities stated in "(b) Share valuation report obtained by the Target Company from an independent third-party valuation organization" of "(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)" of "(ii) Background of the valuation" of "(4) Basis for the valuation of the purchase price" of "2. Outline of the purchase" below, the Tender Offer Price exceeds the upper limit of the valuation results obtained using the market share price analysis and the comparable company analysis, while it is within the range of, and exceeds the median of the range of, the valuation results obtained using the discounted cash flow analysis (the "DCF Analysis"); (ii) the Tender Offer Price is the amount obtained by adding the following premiums, where December 20, 2022, the business day immediately preceding the date of announcement of the scheduled commencement of the Tender Offer, is the reference date: 71.84% on the closing price of 419 yen as of the reference date, 67.44% on the simple average of the closing price for one month immediately preceding and up to the reference date (430 yen), 64.38% on the simple average of the closing price for three months immediately preceding and up to the same date (438 yen), 59.65% on the simple average of the closing price for six months immediately preceding and up to the same date (451 yen), of the Target Company Shares on the prime market of the TSE; and the level of such premiums added are deemed to be considerable when compared with the average level of premiums in 50 prior completed tender offer cases, in which a parent company intended to make its listed subsidiary a private company (these tender offer cases were announced on or after June 28, 2019, on which Ministry of Economy, Trade and Industry had released the "Fair M&A Guidelines") (average (39.87% on the share price on the business day immediately preceding the date of announcement; 42.81% on the simple average of the closing price for one month immediately preceding and up to the business day immediately preceding the date of announcement; 43.36% on the simple average of the closing price for three months immediately preceding and up to the business day immediately preceding the date of announcement; 44.58% on the simple average of the closing price for six months immediately preceding and up to the business day immediately preceding the date of announcement) and median (43.42% on the share price on the business day immediately preceding the date of announcement; 43.18% on the simple average of the closing price for one month immediately preceding and up to the business day immediately preceding the date of announcement; 41.02% on the simple average of the closing price

for three months immediately preceding and up to the business day immediately preceding the date of announcement; 43.56% on the simple average of the closing price for six months immediately preceding and up to the business day immediately preceding the date of announcement); (iii) the Tender Offer Price is a price determined according to the following background: the price was increased to the level which the Tender Offeror insisted several times that no further increase of the Tender Offer Price can be accepted, after measures to ensure the fairness of the Tender Offer stated in “(e) Approval of directors of the Target Company with no interest in the Transaction” of “(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)” of “(ii) Background of the valuation” of “(4) Basis for the valuation of the purchase price” of “2. Outline of the purchase” below were taken, and sufficient and repeated negotiation with the Tender Offeror was conducted with the substantial involvement of the Special Committee; and (iv) although the Tender Offer Price is less than the consolidated book value of net assets per share (778.83 yen) calculated based on the Target Company’s consolidated book value of net assets as of the end of September 2022, considering that among the assets held by the Target Company, there are plant facilities and equipment, etc. which are assets deemed to be difficult to be sold immediately and in bulk (in the Target Company’s balance sheet (as of the end of September 2022), percentage of accounting items falling under plant facilities and equipment, etc. (“Buildings and structures, net” (8,393 million yen) and “Machinery, equipment and vehicles, net” (3,085 million yen) from among the total assets (58,704 million yen)) is 19.55%), and that additional costs, such as legal fees, etc., are expected to be incurred upon a company liquidation, even if the Target Company is liquidated, the consolidated book value of net assets will not necessarily be converted into the same amount of money, and in reality, the amount obtained by liquidation is assumed to be the consolidated book value of net assets after being impaired, so that it is not appropriate to decide the Tender Offer Price only by the consolidated book value of net assets per share. According to the above, the Target Company decided that the Tender Offer Price is appropriate, and it will provide all of the Target Company’s shareholders with reasonable opportunities to sell the shares.

As stated above, at the meeting of the Target Company’s board of directors held on December 21, 2022, the Target Company resolved to express its opinion in support of the Tender Offer at the commencement of the Tender Offer and to recommend to the Target Company’s shareholders to tender in the Tender Offer, as the Target Company’s opinion as of the same date.

Furthermore, at the meeting of the board of directors above, the Target Company also adopted a resolution (i) that upon the commencement of the Tender Offer, the Target Company would request that the Special Committee established by the Target Company deliberate over whether there is any change in the opinion in the Written Report dated December 20, 2022 submitted by the Special Committee to the board of directors of the Target Company as of December 20, 2022, and state its opinion to the board of directors of the Target Company to that effect if there is no change in the previous opinion, and a changed opinion if there is any change; and (ii) that the Target Company would express its opinion on the Tender Offer again, when the Tender Offer is to be commenced in light of the opinion.

Thereafter, on and after December 21, 2022, considering that the review under Chinese competition laws was extended beyond expectations at that time, the period from the date on which the scheduled commencement of the Tender Offer was announced to the commencement of the Tender Offer (the “Tender Offer Notice Period”) was expected to reach the longest level seen in Japan, the Tokyo Stock Price Index (TOPIX) increased by 44.02% between December 21, 2022 and March 8, 2024, and there was a possibility that the rate of increase in the Tokyo Stock Price Index (TOPIX) during the Tender Offer Notice Period would reach the highest level seen in Japan, on and after March 8, 2024, the Special Committee resumed its consideration on whether or not it should support the Tender Offer and recommend tendering in the Tender Offer when it commenced.

Specifically, on March 11, 2024, the Special Committee made inquiries to the Tender Offeror regarding (i) the reasons for the extended responses under the Chinese competition laws and the impact of the delay in the commencement of the Tender

Offer in connection with the delay in the commencement of the Tender Offer, and (ii) the status of consideration for changing the Tender Offer Price based on the upward trend of the overall stock market and the market stock prices of domestic electric wire manufacturers on and after December 21, 2022 in connection with the Tender Offer Price. On March 22, 2024, the Special Committee received a reply from the Tender Offeror (the “Tender Offeror’s First Reply”). In that reply, in response to the inquiries related to the delay in the commencement of the Tender Offer, the Tender Offeror stated as follows: it consistently made the utmost effort to obtain clearance under the Chinese competition laws early in cooperation with the Target Company in the review under the Chinese competition laws; there were no particular concerns about the impact of the delay in the commencement of the Tender Offer; and it believed that the delay would not result in the failure of some of the synergies assumed as of December 21, 2022. In response to the inquiries regarding the Tender Offer Price, the Tender Offeror stated as follows: although it also recognizes that the overall stock market is in an upward trend between December 21, 2022 and the time of the Tender Offeror’s First Reply, not all companies’ market stock prices are necessarily increasing; market stock prices are fluctuating depending on individual companies’ circumstances; and the Tender Offeror believed there was no need to consider changing the Tender Offer Price after comprehensively taking into account the fact that there was a fiscal year in which the Target Company’s results failed to achieve its business plan.

Thereafter, based on the Tender Offeror’s First Reply and the circumstances where the issues in the examination process under the Chinese competition laws were becoming limited, on May 30, 2024, the Special Committee made inquiries to the Tender Offeror regarding whether any changes would be made to the purpose of the Transaction and whether any changes would be made in management policy after the Tender Offer in connection with the purpose of the Transaction, and the Tender Offeror’s opinion on the Tender Offer Price at that time, given that two months or more had elapsed from the time of the Tender Offeror’s First Reply, as well as the Tender Offeror’s opinion on the foreseeability of the extension as of December 21, 2022 in connection with the extended process under the Chinese competition laws. On June 6, 2024, the Special Committee received a reply from the Tender Offeror (the “Tender Offeror’s Second Reply”). In that reply, in response to the inquiries regarding the purpose of the Transaction, the Tender Offeror stated as follows: there were no particular matters for which it recognized any changes on or after December 21, 2022; there is no change in management policy after the Tender Offer; and it intended to respect the independence of the Target Company Group’s management after the Tender Offer and to generally maintain the current management policy. In response to the inquiries regarding the Tender Offer Price, the Tender Offeror stated as follows: although it also recognizes that the overall stock market is in an upward trend between December 21, 2022 and the time of the Tender Offeror’s Second Reply, not all companies’ market stock prices are necessarily increasing; the market stock prices are fluctuating depending on individual companies’ circumstances; under these circumstances, when the Tender Offeror considered the appropriateness of the Tender Offer Price, the Target Company’s results for the fiscal year ending in March 2024 failed to achieve its business plan; therefore, it would be difficult to set a higher price than the Tender Offer Price; however, since the Tender Offeror also believed that it should not set a lower price than the Tender Offer Price, it would maintain the Tender Offer Price. In response to the inquiries regarding the extended process under the Chinese competition laws, the Tender Offeror stated that although it made decisions based on experts’ opinions for each of its responses to the Chinese competition authorities, it believed it was difficult to anticipate the extended process under the Chinese competition laws as of December 21, 2022.

After receiving the Tender Offeror’s Second Reply, on June 10, 2024, the Special Committee made inquiries to the Tender Offeror regarding the Tender Offeror’s opinion on the Tender Offer Price, based on the opinion of some shareholders of the Target Company requesting an increase in the Tender Offer Price, and the Tender Offeror’s opinion on whether the Tender Offeror made the utmost efforts to obtain clearance under the Chinese competition laws. In response to those inquiries, on June 12, 2024, the Special Committee and the Representative Director and President of the Tender Offeror held a meeting at which the Special Committee received a reply from the Tender Offeror. At that meeting, the Tender Offeror stated as follows: in connection with the Tender Offer Price, although it recognizes the upward trend in the overall stock market, it would be difficult to increase the Tender Offer Price from the perspective of the Tender Offeror’s economic rationality; and even based on a situation where the Target Company’s market stock price remained higher than the Tender Offer Price, it

would be difficult to increase the Tender Offer Price. In addition, in connection with the extended responses under Chinese competition laws, the Tender Offeror stated as follows: it took time as the Tender Offeror made careful responses in discussions with the Chinese competition authorities regarding the remedies to address competition concerns so that the business feasibility of the Target Company and the Tender Offeror would not be impeded; however, the Tender Offeror believes that this was a result of appropriate responses aiming at early commencement of the Tender Offer.

Furthermore, on June 12, 2024, the Target Company received a notice from the Tender Offeror that, in response to the Tender Offeror having obtained clearance under the Chinese competition laws, and the necessary procedures and measures based on domestic and foreign competition laws having been completed, the Tender Offeror intends to commence the Tender Offer on June 21, 2024, on the assumption that all of the Conditions Precedent to the Tender Offer, including the completion of the necessary procedures and measures based on domestic and foreign competition laws, have been satisfied. As stated in “(c) Independent special committee established, and a written report obtained, by the Target Company” of “(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)” of “(ii) Background of the valuation” of “(4) Basis for the valuation of the purchase price” of “2. Outline of the purchase” below, the Target Company requested that the Special Committee deliberate over whether there is any change in the opinion in the Written Report dated December 20, 2022, and state its opinion to the board of directors of the Target Company to that effect if there is no change, and a changed opinion if there is any change.

The Special Committee confirmed with the Target Company regarding all the facts including whether there has been any material change in circumstances that may affect the Transaction on or after December 21, 2022, and deliberated over the requested matters stated above. As a result, the Special Committee confirmed that regardless of the circumstances that occurred between December 21, 2022 and June 20, 2024, there were no circumstances that would change the content of the opinions of the Written Report dated December 20, 2022. Then, on June 20, 2024, based on unanimous resolution of all the members, the Special Committee submitted a written report that there is no change in the above opinion to the board of directors of the Target Company (the “Written Report dated June 20, 2024”).

In addition, on June 20, 2024, the Target Company carefully discussed and deliberated over whether the Transaction would increase its corporate value and whether the various conditions on the Transaction were appropriate based on the content of the share valuation report that it received from Mizuho Securities on June 19, 2024 (the “Target Company Share Valuation Report dated June 2024”) and the legal advice that it received from its legal advisor, TMI Associates, on matters to be noted in making a decision on the Transaction, including the Tender Offer, while paying maximum respect to the contents of the Written Report dated December 20, 2022 submitted by the Special Committee (for an outline of the Written Report dated December 20, 2022, please see “(c) Independent special committee established, and a written report obtained, by the Target Company” of “(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)” of “(ii) Background of the valuation” of “(4) Basis for the valuation of the purchase price” of “2. Outline of the purchase” below).

As a result, during the question-and-answer exchanges between the Special Committee and the Tender Offeror, as stated above, the Target Company confirmed with the Tender Offeror that in connection with the purpose of the Transaction, there were no particular matters for which the Tender Offeror recognized any changes on or after December 21, 2022, that there was no change in management policy after the Tender Offer, and that the Tender Offeror intended to respect the independence of the Target Company Group’s management after the Tender Offer as it did previously and to generally maintain the current management policy. Based on this, as of June 20, 2024, the Target Company determined that the Transaction would contribute to enhancement of the Target Company’s corporate value.

Moreover, while paying the maximum respect to the content of the Written Report dated December 20, 2022 and Written Report dated June 20, 2024 submitted by the Special Committee, in light of the Target Company’s business conditions,

environment surrounding the Transaction, and confirmation with the Tender Offeror as stated above, the Target Company carefully deliberated over the various conditions on the Tender Offer again. As a result, with respect to the Tender Offer Price, the Target Company took into account the following matters: (i) according to share valuation results of the Target Company Shares in the Target Company Share Valuation Report dated June 2024 by Mizuho Securities stated in “(b) Share valuation report obtained by the Target Company from an independent third-party valuation organization” of “(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)” of “(ii) Background of the valuation” of “(4) Basis for the valuation of the purchase price” of “2. Outline of the purchase” below, the Tender Offer Price exceeds the upper limit of the valuation results obtained using the market share price analysis and the comparable company analysis, while it is within the range of, and exceeds the median of the range of, the valuation results obtained using the DCF Analysis; (ii) the Tender Offer Price is the amount obtained by adding the following premiums, where December 20, 2022, the business day immediately preceding the date of announcement of the scheduled commencement of the Tender Offer, is the reference date: 71.84% on the closing price of 419 yen as of the reference date, 67.44% on the simple average of the closing price for one month immediately preceding and up to the reference date (430 yen), 64.38% on the simple average of the closing price for three months immediately preceding and up to the same date (438 yen), 59.65% on the simple average of the closing price for six months immediately preceding and up to the same date (451 yen), of the Target Company Shares on the prime market of the TSE; and the level of such premiums added is deemed to be considerable when compared with the average level of premiums in 66 prior completed tender offer cases, in which a parent company intended to make its listed subsidiary a private company (these tender offer cases were announced on or after June 28, 2019, on which Ministry of Economy, Trade and Industry had released the “Fair M&A Guidelines”)) (average (38.72% on the share price on the business day immediately preceding the date of announcement; 42.17% on the simple average of the closing price for one month immediately preceding and up to the business day immediately preceding the date of announcement; 42.13% on the simple average of the closing price for three months immediately preceding and up to the business day immediately preceding the date of announcement; 42.80% on the simple average of the closing price for six months immediately preceding and up to the business day immediately preceding the date of announcement) and median (40.67% on the share price on the business day immediately preceding the date of announcement; 42.68% on the simple average of the closing price for one month immediately preceding and up to the business day immediately preceding the date of announcement; 40.23% on the simple average of the closing price for three months immediately preceding and up to the business day immediately preceding the date of announcement; 40.88% on the simple average of the closing price for six months immediately preceding and up to the business day immediately preceding the date of announcement) (furthermore, it was decided that the premium rate based on the business day immediately preceding the date of announcement of the scheduled commencement of the Tender Offer should be prioritized, therefore, considerations based on the premium or discount rate as of the business day immediately preceding the date of announcement of the commencement of the Tender Offer have not been conducted); and in addition, even taking into consideration the rate of increase in the overall stock market during the Tender Offer Notice Period (the rate of increase in the Tokyo Stock Price Index (TOPIX) between December 21, 2022 and June 19, 2024, the business day immediately preceding the announcement of the commencement of the Tender Offer, is 44.12%), a certain level of premiums is still deemed to be added; (iii) the Tender Offer Price is a price from which the Special Committee confirmed with the Tender Offeror several times that there was no room for increase, through and after measures to ensure the fairness of the Tender Offer stated in “(e) Approval of directors of the Target Company with no interest in the Transaction” of “(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)” of “(ii) Background of the valuation” of “(4) Basis for the valuation of the purchase price” of “2. Outline of the purchase” below were taken, inquiries were made several times about the status of consideration regarding an increase in the Tender Offer Price and written questions and answers were exchanged repeatedly with the Tender Offeror with the substantial involvement of the Special Committee, and in addition, the Special Committee held a meeting with the Representative Director and President of the Tender Offeror and directly confirmed with the Representative Director and President of the Tender Offeror that it would be difficult for the Tender Offeror to increase the Tender Offer Price even based on the fact that the Target Company’s market stock price was higher than the Tender Offer Price; (iv) although the

overall stock market and the market stock prices of domestic electric wire manufacturers were in an upward trend during the Tender Offer Notice Period, the market stock prices were fluctuating depending on individual companies' circumstances; while domestic electric wire manufacturers achieved their mid-term management plans or result forecasts to a certain extent, the Target Company's results in the fiscal year ending in March 2023 and the fiscal year ending in March 2024 did not achieve the targets in its Long-Term Vision 2025 and its business plan on which the Target Company Share Valuation Report dated December 2022 was based (while the Target Company set a targeted operating income of 7 billion yen for the fiscal year ending in March 2023 in the Long-Term Vision 2025 announced on May 12, 2017, the actual operating income for that fiscal year was approximately 1.7 billion yen. This represents a shortfall of 75.71% compared to the announced targeted operating income. The Long-Term Vision 2025 differs from the business plan of the Target Company on which the Target Company Share Valuation Report dated December 2022 was based.); considering this, it cannot be unequivocally stated that if the Tender Offer had not been announced, the Target Company's market stock price would have increased in the same manner as the overall stock market and the market stock prices of other domestic electric wire manufacturers; (v) although the Target Company's market stock price was at a higher level than the Tender Offer Price between June 12, 2024 and June 19, 2024, the business day immediately preceding the announcement of the commencement of the Tender Offer, regarding the reason why the market stock price was at such level, it is reasonable to believe that it increased as a result of trading by some shareholders of the Target Company based on market participants' expectations in relation to the commencement of the Tender Offer, even considering that approval of the notification under Chinese competition laws was provided on June 11, 2024; in addition, only some of the Target Company's shareholders can sell their shares at the current market stock price (realization of shares), and the Tender Offeror's proposal, which will provide all shareholders of the Target Company with an opportunity to realize the Target Company Shares at the Tender Offer Price, is considered to contribute to the interests of the Target Company's shareholders; (vi) considering that the Tender Offer Notice Period has become one year and six months as of today, an opportunity for a party other than the Tender Offeror to purchase the Target Company Shares was effectively ensured; however, no buyout offeror other than the Tender Offeror (a "Counter Offeror") has emerged as of today; and (vii) although the Tender Offer Price is less than the consolidated book value of net assets per share (828.50 yen) calculated based on the Target Company's consolidated book value of net assets as of the end of March 2024, considering that among the assets held by the Target Company, there are plant facilities and equipment, etc. which are assets deemed to be difficult to be sold immediately and in bulk (in the Target Company's balance sheet (as of the end of March 2024), percentage of accounting items falling under plant facilities and equipment, etc. ("Buildings and structures, net" (8,112 million yen) and "Machinery, equipment and vehicles, net" (2,633 million yen) from among the total assets (61,119 million yen)) is 17.58%), and that additional costs, such as legal fees, etc., are expected to be incurred upon a company liquidation, even if the Target Company is liquidated, the consolidated book value of net assets will not necessarily be converted into the same amount of money, and in reality, the amount obtained by liquidation is assumed to be the consolidated book value of net assets after being impaired, so that it is not appropriate to decide the Tender Offer Price only by the consolidated book value of net assets per share. According to the above, the Target Company decided that the Tender Offer Price is appropriate, and it will provide all of the Target Company's shareholders with reasonable opportunities to sell the shares.

On and after December 21, 2022, the Target Company did not pay dividends of surplus with the record dates of March 31, 2023 (end of the fiscal year ending in March 2023), September 30, 2023 (end of the second quarter of the fiscal year ending in March 2024), and March 31, 2024 (end of the fiscal year ending in March 2024). The Target Company determined that this fact would have no impact on the above-mentioned conclusion. In other words, Daiwa Securities, which is the Tender Offeror's financial advisor, used the market share price analysis, the comparable company analysis, and the DCF Analysis to calculate the per-share value of the Target Company Shares, and the calculation was made on the premise that no dividends of surplus would be paid with the record dates of March 31, 2023 (end of the fiscal year ending in March 2023), September 30, 2023 (end of the second quarter of the fiscal year ending in March 2024), and March 31, 2024 (end of the fiscal year ending in March 2024). According to Mizuho Securities, since the Tender Offer Price was decided based on the above-mentioned premise, if dividends had been paid, the Target Company's total assets would have decreased by an

amount equivalent to the dividends paid to shareholders, which would have led to a decrease in the per-share value of the Target Company Shares. Therefore, if the Target Company had paid dividends of surplus with the record dates of March 31, 2023 (end of the fiscal year ending in March 2023), September 30, 2023 (end of the second quarter of the fiscal year ending in March 2024), and March 31, 2024 (end of the fiscal year ending in March 2024) on or after December 21, 2022, it would have been reasonable for the Tender Offeror to decrease the Tender Offer Price by the amount of those dividends. Therefore, the Target Company determined that the fact that those dividends were not paid would have no impact on the decision that the Tender Offer Price is appropriate.

Based on the above, the Target Company found no factors as of today to change its opinion on the Tender Offer as of December 21, 2022. Therefore, at the meeting of the Target Company's board of directors held today, the Target Company again resolved to express its opinion in support of the Tender Offer, and to recommend to the Target Company's shareholders to tender in the Tender Offer.

For details of each of the resolutions at the meetings of the board of directors of the Target Company held on December 21, 2022 and June 20, 2024, please see "(e) Approval of directors of the Target Company with no interest in the Transaction" of "(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)" of "(ii) Background of the valuation" of "(4) Basis for the valuation of the purchase price" of "2. Outline of the purchase" below.

(iii) Management policies after the Tender Offer

For management policies after completion of the Transaction, the Tender Offeror mainly intends to take each of the measures stated in "(i) Background, the purpose, and process leading to the determination to conduct the Tender Offer" above as specific measures in the management strategy to improve the Target Company Group's corporate value; however, specific content and method thereof are scheduled to be determined upon discussions with the Target Company Group after the completion of the Transaction.

Furthermore, the Tender Offeror has a policy to respect the Target Company Group's management independence, and to maintain the Target Company Group's business and employment and treatment of its employees after the Transaction; and the Tender Offeror intends to maintain the Target Company Group's trademarks and brands and its measures such as those for investment in and collaboration with start-up companies. In addition, the Tender Offeror expects the Target Company Group to run the business with independence toward achievement of policies and goals set forth in its "2025 Long-Term Vision" after the Transaction, and intends to support the Target Company in the achievement of such vision, and sufficiently negotiate with the Target Company Group toward achievement of synergies. Other matters such as future officer composition of the Target Company Group have not been determined yet as of today. The details are scheduled to be determined upon future discussions with the Target Company Group.

(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest

As of today, the Target Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not fall under a tender offer by a controlling shareholder. However, the Tender Offeror and the Target Company considered the circumstances where the Tender Offeror owns 22,739,218 shares of the Target Company Shares (ownership ratio: 36.81%) and the Target Company is an equity method affiliate of the Tender Offeror; and the Tender Offeror and the Target Company took the following measures, in order to eliminate arbitrariness in the decision-making process leading to the determination to conduct the Tender Offer, and to ensure the fairness and transparency thereof, as well as ensuring the fairness of the Tender

Offer Price. Among the following statements, those on measures taken by the Target Company are based on explanation by the Target Company.

- (a) Share valuation report obtained by the Tender Offeror from an independent third-party valuation organization
- (b) Share valuation report obtained by the Target Company from an independent third-party valuation organization
- (c) Independent special committee established, and a written report obtained, by the Target Company
- (d) Advice from independent law firm to the Target Company
- (e) Approval of directors of the Target Company with no interest in the Transaction
- (f) Measures to ensure opportunities for other purchasers to purchase

For details of the above, please see “(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)” of “(ii) Background of the valuation” of “(4) Basis for the valuation of the purchase price” of “2. Outline of the purchase” below.

- (4) Policies regarding reorganization, among others, after the Tender Offer (matters regarding the so-called two-stage purchase)

As stated in “(1) Overview of the Tender Offer” above, the Tender Offeror will conduct the Tender Offer as part of the Transaction for making the Target Company a wholly-owned subsidiary of the Tender Offeror. In spite of the successful completion of the Tender Offer, if the Tender Offeror fails to acquire all of the Target Company Shares upon the Tender Offer (excluding the Target Company Shares directly owned by the Tender Offeror and treasury shares owned by the Target Company), the Tender Offeror intends to conduct procedures for acquiring all of the Target Company Shares by using the following methods (the “Squeeze-Out Procedures”) after the successful completion of the Tender Offer.

- (i) Demand for Cash-Out

Upon the successful completion of the Tender Offer, if the total number of voting rights pertaining to the Target Company Shares owned by the Tender Offeror is equal to or exceeds 90% of the number of voting rights of all shareholders of the Target Company, and the Tender Offeror is thus a Special Controlling Shareholder as defined in Article 179, paragraph (1) of the Companies Act, then promptly after the completion of settlement for the Tender Offer, the Tender Offeror intends to demand that all the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) (“Shareholders Subject to Cash-Out”) sell all of the Target Company Shares owned by them pursuant to the provisions in Section 4-2, Chapter II, Part II of the Companies Act (“Demand for Cash-Out”). In the Demand for Cash-Out, the Tender Offeror intends to decide on delivering, as the per-share value of Target Company Shares, the same amount of money as the Tender Offer Price to the Shareholders Subject to Cash-Out. In this case, the Tender Offeror will provide the Target Company with notice to that effect and seek approval of the Target Company for the Demand for Cash-Out. If the Target Company approves the Demand for Cash-Out by resolution of its board of directors, the Tender Offeror will, in accordance with the procedures prescribed in the relevant laws and regulations, acquire all the Target Company Shares owned by the Shareholders Subject to Cash-Out from all of them on the acquisition date determined for the Demand for Cash-Out, without the need to obtain individual approval from the Shareholders Subject to Cash-Out. The Tender Offeror intends to deliver to each of the Shareholders Subject to Cash-Out, as the per-share value of the Target Company Shares that they owned, the same amount of money as the Tender Offer Price.

According to the Target Company Press Release, if the Target Company is notified by the Tender Offeror of its intention to make a Demand for Cash-Out and the matters under each item of Article 179-2, paragraph (1) of the Companies Act, the Target Company's board of directors intends to approve the Demand for Cash-Out.

According to the provisions of the Companies Act that aim to protect the rights of minority shareholders to which the Demand for Cash-Out relates, the Shareholders Subject to Cash-Out may file a petition with a court to determine the sales price of the Target Company Shares owned by them in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations. If the petition mentioned above is filed, the sales price will be finally determined by the court.

(ii) Share Consolidation

After the successful completion of the Tender Offer, if the Tender Offeror does not come to own 90% or more of the voting rights of all shareholders of the Target Company, the Tender Offeror intends to request that the Target Company hold an extraordinary shareholders meeting (the "Extraordinary Shareholders Meeting") that includes the following proposals in its agenda: (i) a proposal to consolidate the Target Company Shares pursuant to Article 180 of the Companies Act (the "Share Consolidation"); and (ii) a proposal to partially amend the Articles of Incorporation to abolish the unit share clause, on condition that the Share Consolidation becomes effective. The Tender Offeror intends to agree to each of the proposals above at the Extraordinary Shareholders Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders Meeting, the Target Company's shareholders will own the number of Target Company Shares reflecting the share consolidation ratio that was approved at the Extraordinary Shareholders Meeting, on the day when the Share Consolidation takes effect. If fractions less than one share are included in the number of shares as a result of the Share Consolidation, then pursuant to the procedures provided in Article 235 of the Companies Act and other relevant laws and regulations, the amount of money obtained by the sale of the Target Company Shares corresponding to the total of such fractions (any fraction of less than one share in the total number shall be rounded off) to the Target Company or the Tender Offeror will be delivered to each shareholder whose number of shares to be delivered is a fraction less than one share. It is scheduled that the Target Company will (a) calculate the sales price of the Target Company Shares corresponding to the total of such fractions so that the amount of money to be delivered, as a result of the sale, to each shareholder of the Target Company (excluding the Tender Offeror and the Target Company) who did not tender Target Company Shares in the Tender Offer equals the Tender Offer Price multiplied by the number of Target Company Shares owned by each such shareholder, and (b) file a petition with a court to permit such voluntary sale. The consolidation ratio of the Target Company Shares has not been determined as of today; however, it will be determined in such a way that the number of Target Company Shares owned by the shareholders (excluding the Tender Offeror and the Target Company) who did not tender Target Company Shares in the Tender Offer will be a fraction of less than one share and the Tender Offeror will own all the Target Company Shares (excluding treasury shares owned by the Target Company). The Target Company will promptly announce the details of the procedures in this case as soon as they are determined.

According to the provisions of the Companies Act that aim to protect the rights of minority shareholders to which the Share Consolidation relates, if fractions less than one share are included in the number of shares as a result of the Share Consolidation, the Target Company's shareholders (excluding the Tender Offeror and the Target Company) who did not tender Target Company Shares in the Tender Offer will be entitled, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, to (a) demand that the Target Company purchase, at a fair price, all of the fractions of less than one share from among shares owned by them and (b) file a petition with a court to determine the sales price for their Target Company Shares. If the petition mentioned above is filed, the purchase price will be finally determined by the court.

With respect to the procedures stated in (i) and (ii) above, it may take time to implement those procedures; and there may be changes to methods to implement them, depending on the state of amendments, enforcement, and the authorities' interpretations, etc. of the relevant laws and regulations. However, in that case, if the Tender Offer is successfully completed, a method is scheduled to be adopted where monies will be ultimately delivered to shareholders of the Target Company (excluding the Tender Offeror and the Target Company) who did not tender Target Company Shares in the Tender Offer. It is also planned that the amount of money to be delivered to the shareholders of the Target Company under such method will be calculated so that it is equal to the Tender Offer Price multiplied by the number of Target Company Shares owned by the shareholders of the Target Company.

The Tender Offeror will discuss the specific procedures, time of implementation of those procedures, and other matters in each of the cases above with the Target Company and will promptly announce those matters as soon as they are determined.

We note that the Tender Offer does not solicit the Target Company's shareholders to agree to proposals at the Extraordinary Shareholders Meeting. Each shareholder of the Target Company should confirm with a tax accountant or other specialist, at its own responsibility, how tendering in the Tender Offer or participating in the procedures described above are treated under relevant tax laws.

(5) Likelihood of delisting and reasons therefor

As of today, the Target Company Shares are listed on the TSE Prime Market. However, since the Tender Offeror has not set a maximum limit on the number of shares to be purchased in the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the delisting criteria set by the TSE, depending on the results of the Tender Offer. Additionally, even if the delisting criteria are not met upon the successful completion of the Tender Offer, the Tender Offeror thereafter intends to acquire all of the Target Company Shares (excluding the Target Company Shares directly owned by the Tender Offeror and treasury shares owned by the Target Company) through the Squeeze-Out Procedures pursuant to applicable laws and regulations, as stated in "(4) Policies regarding reorganization, among others, after the Tender Offer (matters regarding the so-called two-stage purchase)" above. Therefore, in that case, the Target Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria set by the TSE. If the Target Company Shares are delisted, they will no longer be traded on the TSE Prime Market. For the reasons for aiming for delisting, and effects on minority shareholders and opinions therefore, please see "(i) Background, the purpose, and process leading to the determination to conduct the Tender Offer" of "(2) Background, the purpose, and decision-making process leading to the determination to conduct the Tender Offer, and the management policy after the Tender Offer" above and "(4) Policies regarding reorganization, among others, after the Tender Offer (matters regarding the so-called two-stage purchase)" above.

(6) Matters concerning important agreements relating to the Tender Offer

The Tender Offeror requested that JX Metals Trading tender all Target Company Shares it owns in the Tender Offer (total owned shares: 136,311 shares; total ownership ratio: 0.22%), after the announcement of the scheduled commencement of the Tender Offer, and was informed by JX Metals Trading on December 21, 2022 that it intends to tender all Target Company Shares it owns in the Tender Offer (no tender agreement has been executed).

2. Outline of the purchase

(1) Outline of the Target Company

(i)	Name	TATSUTA Electric Wire and Cable Co., Ltd.
(ii)	Location	2-3-1 Iwata-cho, Higashiosaka City, Osaka, Japan
(iii)	Title and name of Representative	Yamada Hiroya, Representative Director & Chief Executive Officer
(iv)	Business outline	Infrastructure wire business, industrial equipment wire business, functional film business, functional paste business, fine wire business, sensor & medical products business, and environmental analysis business
(v)	Capital	6,676 million yen (as of March, 31, 2024)
(vi)	Date of establishment	September 28, 1945
(vii)	Major shareholders and shareholding ratios (as of September 30, 2023)	JX Advanced Metals Corporation 36.80%
		NOMURA INTERNATIONAL PLC A/C JAPAN FLOW (Nomura Securities as Standing Proxy) 6.51%
		The Master Trust Bank of Japan, Ltd. (Trust Account) 6.49%
		Mizuho Securities Co., Ltd. 3.98%
		Sumitomo Metal Mining Co., Ltd. 2.79%
		Nomura Securities Co., Ltd. 2.53%
		Custody Bank of Japan, Ltd. (Trust Account 4) 2.46%
		Nomura Securities Co., Ltd. (Proprietary Account) 2.32%
		MSIP CLIENT SECURITIES (Morgan Stanley MUFG Securities as Standing Proxy) 1.93%
		BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (MUFG Bank, Ltd. as Standing Proxy) 1.86%
(viii)	Relationship between the Tender Offeror and the Target Company	
	Capital relationship	As of today, the Tender Offeror directly holds 22,739,218 shares of the Target Company Shares (ownership ratio: 36.81%), and indirectly holds 136,311 shares of the Target Company Shares through the Tender Offeror's subsidiary (ownership ratio: 0.22%), which totals 22,875,529 shares of the Target Company Shares (ownership ratio: 37.03%), making the Target Company an equity method affiliate.
	Personnel relationship	As of today, the representative director of the Target Company used to be an employee of the Tender Offeror. Among directors who are not audit and supervisory committee members of the Target Company, one director holds the office of the senior executive officer of the Tender Offeror, and two directors used to be employees of the Tender Offeror. Furthermore, among directors who are audit and supervisory committee members of the Target Company, one director used to be an employee of the Tender Offeror. Other than above, as of March 31, 2024, there are 10 persons seconded to the Target Company Group from the Tender Offeror Group (other than the Target Company Group) (out of which 2 secondees still belong to the Tender Offeror Group, and 8 secondees no longer belong to the Tender Offeror Group).
	Business relationship	The Tender Offeror Group supplies electrolytic copper, gold shot/silver balls, and rolled copper foil to the Target Company.

Status as related party	The Target Company is an equity method affiliate of the Tender Offeror, and therefore, the Target Company is regarded as a related party of the Tender Offeror.
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(Note) Information in “Major shareholders and shareholding ratios” is based on “Status of Major Shareholders” of the “Second Quarterly Report for the 100th fiscal year” submitted by the Target Company on November 13, 2023.

(2) Schedule

(i) Schedule

Date on which tender offer is decided to be conducted	June 20, 2024 (Thursday)
Scheduled date of public notice of commencement of tender offer	June 21, 2024 (Friday) Electronic public notice will be made, and a notice to that effect will be published in the <i>Nihon Keizai Shimbun</i> . (URL of the electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
Scheduled filing date of tender offer registration statement	June 21, 2024 (Friday)

(ii) Purchase period originally specified in the registration statement

From June 21, 2024 (Friday) until July 19, 2024 (Friday) (20 business days).

(iii) Possibility of extension upon request of the Target Company

Pursuant to Article 27-10, paragraph (3) of the FIEA, if the Target Company submits a position statement seeking an extension of the Tender Offer Period, the Tender Offer Period will be 30 business days until August 2, 2024 (Friday).

(3) Purchase Price

720 yen per share of common stock

(4) Basis for the valuation of the purchase price

(i) Basis for the valuation

With the aim of ensuring the fairness of the Tender Offer Price, the Tender Offeror asked a financial advisor, Daiwa Securities, to calculate the value of the Target Company Shares as a third-party valuation organization independent of the Tender Offeror and the Target Company, in determining the Tender Offer Price. Daiwa Securities is neither a related party of the Tender Offeror nor the Target Company, nor does it have a material interest in the Tender Offer. As a result of deliberating over the valuation method to be used in the Tender Offer, Daiwa Securities calculated the value of the Target Company Shares using the market share price analysis (since the Target Company Shares are listed on the Prime Market of the TSE), the comparable company analysis (since there are listed companies that are comparable with the Target Company and it is possible to analogize the value of the Target Company Shares through comparison with those similar companies), and the DCF Analysis (to reflect the status of its future business activities in the valuation), and the Tender Offeror obtained a valuation report (the “Tender Offeror Valuation Report”) dated December 20, 2022 from Daiwa

Securities. The Tender Offeror has not obtained any opinion regarding the appropriateness of the Tender Offer Price (i.e., a fairness opinion) from Daiwa Securities.

The calculation results of per-share value of the Target Company Shares by Daiwa Securities are as follows:

Market share price analysis:	419 yen to 451 yen
Comparable company analysis:	452 yen to 524 yen
DCF Analysis:	570 yen to 929 yen

Under the market share price analysis, where December 20, 2022 was the reference date, the per-share value of the Target Company Shares was calculated to range from 419 yen to 451 yen, based on the following prices of the Target Company Shares on the Prime Market of the TSE: the closing price of 419 yen as of the reference date; the simple average of the closing price of 430 yen for one month immediately preceding and up to the reference date; the simple average of the closing price of 438 yen for three months immediately preceding and up to the reference date; and the simple average of the closing price of 451 yen for six months immediately preceding and up to the reference date.

Under the comparable company analysis, the value of the Target Company Shares was calculated through comparison with the market share prices and financial indicators indicating profitability, etc. of listed companies that engage in businesses comparatively similar to those of the Target Company. Using this methodology, the per-share value of the Target Company Shares was calculated to range from 452 yen to 524 yen.

Under the DCF Analysis, the Target Company's corporate value and share value were calculated by discounting the free cash flow that is expected to be generated in the future by the Target Company in and after the third quarter of the fiscal year ending in March 2023 at a certain discount rate to the present value, based on the business plan for four fiscal years from the fiscal year ending in March 2023 to the fiscal year ending in March 2026 prepared by the Target Company, which was adjusted by the Tender Offeror taking into account various factors, such as the latest trend of business results, the results of the due diligence that the Tender Offeror conducted on the Target Company, the expected synergies, and publicly disclosed information. Using this methodology, the per-share value of the Target Company Shares was calculated to range from 570 yen to 929 yen. The business plan that Daiwa Securities used for the DCF Analysis assumes the implementation of the Transaction and includes the synergy effects expected from the Transaction.

Furthermore, the business plan that Daiwa Securities used for the DCF Analysis includes fiscal years in which significant increases or decreases in profits are expected. Specifically, in and after the fiscal year ending in March 2025, profits are expected to increase by 42.8% in the fiscal year ending in March 2025 compared to the previous fiscal year, and profits are expected to increase by 39.1% in the fiscal year ending in March 2026 compared to the previous fiscal year, due to an increase in sales of, and cost improvement for, industrial equipment wires that constitute an emphasized area in the wire and cable business, recovery from the impact of the lockdown due to COVID-19 and the shortage of semiconductors and an increase in sales of certified new products in China and Malaysia in the electronic materials business, and an increase in orders and achievement of the expected synergy effects in the sensor and medical business.

By resolution at the board of directors meeting held on December 21, 2022, the Tender Offeror ultimately determined that the Tender Offer Price would be 720 yen per share, comprehensively taking into account: (i) the calculation results in the Tender Offeror Valuation Report obtained from Daiwa Securities; (ii) the results of the due diligence that the Tender Offeror conducted on the Target Company from early November to early December 2022; (iii) whether the Target Company's board of directors would support the Tender Offer; (iv) fluctuations in the market price of the Target Company Shares; and (v) anticipated levels of tendering in the Tender Offer, and based on the results of discussions and negotiations with the Target Company. The practical examples of premiums in similar transaction cases were not taken into account. Thereafter,

the Target Company lately published Target Company Financial Results for the Fiscal Year Ending in March 2024. Even based on the above, the Tender Offeror believes that there were no events that would have a material impact on the Target Company's corporate value and decides to commence the Tender Offer without changing the Tender Offer Price. In making the above-mentioned decision, no valuation report was obtained from Daiwa Securities again in addition to the Tender Offeror Valuation Report dated December 20, 2022.

The Tender Offer Price of 720 yen per share includes the following premiums: 71.84% on the closing price of the Target Company Shares of 419 yen on the Prime Market of the TSE as of December 20, 2022 which was the business day preceding the announcement date of the scheduled commencement of the Tender Offer; 67.44% on the simple average of the closing price of 430 yen for one month immediately preceding and up to December 20, 2022; 64.38% on the simple average of the closing price of 438 yen for three months immediately preceding and up to December 20, 2022; 59.65% on the simple average of the closing price of 451 yen for six months immediately preceding and up to December 20, 2022. The Tender Offer Price of 720 yen per share is a 9.32% discount on the closing price of 794 yen as of June 19, 2024 which was the business day preceding the announcement date of the commencement of the Tender Offer.

(ii) Background of the valuation

(Background leading to the determination of the Tender Offer Price)

As stated in “(i) Background, the purpose, and process leading to the determination to conduct the Tender Offer” of “(2) Background, the purpose, and decision-making process leading to the determination to conduct the Tender Offer, and the management policy after the Tender Offer” of “1. Purpose of the purchase” above, in mid-July 2022, the Tender Offeror appointed Daiwa Securities as a financial advisor and third-party valuation organization independent of the Tender Offeror and the Target Company, and in late July 2022, it appointed Nishimura & Asahi as a legal advisor, by which the Tender Offeror established a structure to deliberate over the Transaction.

Moreover, the Tender Offeror conducted due diligence to investigate the feasibility of the Transaction from early November 2022 to early December 2022. Concurrently, from late November 2022, the Tender Offeror held several discussions with the Target Company on the Tender Offer Price. Specifically, the Tender Offeror made the first proposal on the Tender Offer Price on November 25, 2022 (610 yen per share; a premium of 36.77% on the closing price of 446 yen on the proposal date of November 25, 2022). Based on a request for re-deliberation on the details of the proposal from the Special Committee on November 29, 2022, stating that the proposal did not reach an appropriate price, the Tender Offeror subsequently deliberated over the Tender Offer Price with Daiwa Securities, the Tender Offeror's financial advisor, and made the second proposal on the Tender Offer Price for the Target Company on December 6, 2022 (680 yen per share; 60.00% premium on the closing price of 425 yen on the proposal date of December 6, 2022). Based on another request for re-deliberation on the details of the proposal from the Special Committee on December 8, 2022, stating that the proposal still did not reach the appropriate price, the Tender Offeror subsequently deliberated over the Tender Offer Price with Daiwa Securities, the Tender Offeror's financial advisor, and made the third proposal on the Tender Offer Price for the Target Company on December 9, 2022 (710 yen per share; 66.67% premium on the closing price of 426 yen on the proposal date of December 9, 2022). Based on another request for re-deliberation on the details of the proposal from the Special Committee on December 12, 2022, stating that the proposal still did not reach the appropriate price, the Tender Offeror subsequently deliberated over the Tender Offer Price with Daiwa Securities, the Tender Offeror's financial advisor, and made the fourth proposal on the Tender Offer Price for the Target Company on December 14, 2022 (720 yen per share; 67.44% premium on the closing price of 430 yen on the proposal date of December 14, 2022). Based on another request for re-deliberation on the details of the proposal from the Special Committee on December 15, 2022, stating that the proposal still did not reach the appropriate price, the Tender Offeror subsequently deliberated over the Tender Offer Price with Daiwa Securities, the Tender Offeror's financial advisor, and reached a conclusion that the fourth proposal reflected the Target Company's

value to the maximum extent, including synergies which may be assumed by the Tender Offeror, and that it was difficult to increase the amount from the price of the fourth proposal; therefore, the Tender Offeror made the fifth proposal on the Tender Offer Price for the Target Company on December 16, 2022 (720 yen per share; 70.62% premium on the closing price of 422 yen on the proposal date of December 16, 2022). Based on another request for re-deliberation on the details of the proposal from the Special Committee on December 19, 2022, stating that the proposal still did not reach the appropriate price, the Tender Offeror subsequently deliberated over the Tender Offer Price with Daiwa Securities, the Tender Offeror's financial advisor, and made the sixth proposal on the Tender Offer Price for the Target Company on the same date, stating that it reached a conclusion that the fourth proposal reflected the Target Company's value to the maximum extent, including synergies which may be assumed by the Tender Offeror, and that it was difficult to increase the amount from the price of the fourth proposal, as well as stating that the price was set so that the Target Company's future growth value could be enjoyed by all of the Target Company's shareholders (720 yen per share; 69.81% premium on the closing price of 424 yen on the proposal date of December 19, 2022). As a result of such discussions and negotiation, on December 19, 2022, the Tender Offeror and the Target Company reached an agreement to set the Tender Offer Price at 720 yen.

After these discussions and negotiations, at the board of directors meeting held on December 21, 2022, the Tender Offeror resolved that the Tender Offer Price would be 720 yen with the aim of making the Target Company a wholly-owned subsidiary of the Tender Offeror.

(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)

As of today, the Target Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a transaction, etc. with a controlling shareholder. However, as of today, the Tender Offeror is a major shareholder and the largest shareholder of the Target Company that owns 22,739,218 Target Company Shares (ownership ratio: 36.81%) and has the Target Company as its equity method affiliate, the Tender Offeror aims to make the Target Company its wholly-owned subsidiary, and the Target Company's officers and employees include former officers and employees of, and secondees from, the Tender Offeror. Considering these, in the Transaction, including the Tender Offer, the Tender Offeror and the Target Company have taken the measures to ensure the fairness of the Transaction and avoid conflicts of interest as stated below in terms of ensuring the fairness of the Transaction at the phrase of the Tender Offer, eliminating arbitrariness in the Target Company's decision-making on the Transaction, ensuring the fairness, transparency, and objectivity of the decision-making process, and avoiding any doubt on conflicts of interest. Among the statements below, those regarding the measures taken by the Target Company are based on the Target Company's explanation.

As stated in "(i) Background, the purpose, and process leading to the determination to conduct the Tender Offer" of "(2) Background, the purpose, and decision-making process leading to the determination to conduct the Tender Offer, and the management policy after the Tender Offer" of "1. Purpose of the purchase" above, as the Tender Offeror owns 22,739,218 Target Company Shares (ownership ratio: 36.81%) as of today, the Tender Offeror believes that if the minimum number of shares to be purchased is set for the "majority of the minority" in the Tender Offer, this will destabilize the successful completion of the Tender Offer and may not be in the interests of general shareholders who seek to tender shares in the Tender Offer. Accordingly, in the Tender Offer, the Tender Offeror has not set the minimum number of shares to be purchased for the "majority of the minority" in the Tender Offer. However, the Tender Offeror believes that as the Tender Offeror and the Target Company have taken the measures listed in (a) to (f) below, the interests of the Target Company's minority shareholders have been sufficiently considered.

- (a) Share valuation report obtained by the Tender Offeror from an independent third-party valuation organization

In order to ensure the fairness of the Tender Offer Price, the Tender Offeror asked a financial advisor, Daiwa Securities, to calculate the value of the Target Company Shares as a third-party valuation organization independent of the Tender Offeror and the Target Company, in determining the Tender Offer Price. For details of the Tender Offeror Valuation Report concerning the calculation results of the value of the Target Company Shares obtained by the Tender Offeror from Daiwa Securities, please see “(i) Basis for the valuation” above.

- (b) Share valuation report obtained by the Target Company from an independent third-party valuation organization
- (i) Name of valuation organization and relationship with the Target Company and the Tender Offeror

The Target Company asked Mizuho Securities to calculate the value of the Target Company Shares as a third-party valuation organization independent of the Tender Offeror Group and the Target Company Group, and obtained the Target Company Share Valuation Report dated December 2022 on December 20, 2022. To express an opinion on the Tender Offer, the Target Company considered whether there were any changes in the value of the Target Company Shares during the period from December 21, 2022 to June 19, 2024 and the details thereof, and on June 19, 2024, it obtained the Target Company Share Valuation Report dated June 2024 based on the conditions precedent stated below and other certain conditions in order to ensure the fairness of the decision-making process for the Tender Offer Price. Mizuho Securities is neither a related party of the Tender Offeror nor the Target Company, nor does it have a material interest in the Transaction, including the Tender Offer.

Mizuho Securities is a member of Mizuho Financial Group, Inc. as with Mizuho Bank, Ltd. (“Mizuho Bank”), and Mizuho Bank conducts loan transactions, etc. with the Tender Offeror and the Target Company as part of its normal banking transactions. However, Mizuho Bank has no material interest in the Transaction, including the Tender Offer, that should be stated herein. In accordance with Article 36, paragraph (2) of the FIEA and Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007; as amended), Mizuho Securities has built and implemented an appropriate management system for conflicts of interest, such as information barrier measures, between Mizuho Securities and Mizuho Bank, and it calculated the value of the Target Company Shares from the position independent of Mizuho Bank’s position as a lender. In calculating the value of the Target Company Shares, the Target Company concluded that Mizuho Securities has built and implemented an appropriate management system for conflicts of interest and appointed Mizuho Securities as a third-party valuation organization. Considering other measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest that have been taken for the Transaction (for specific details, please see “(c) Independent special committee established, and a written report obtained, by the Target Company” to “(f) Measures to ensure opportunities for other purchasers to purchase” below), the Target Company believes that the interests of the Target Company’s minority shareholders have been sufficiently considered, and has not obtained any opinion regarding the fairness of the Tender Offer Price (i.e., a fairness opinion) from Mizuho Securities. Fees for Mizuho Securities related to the Transaction do not include a contingent fee that will be paid subject to successful completion, etc. of the Transaction.

- (ii) Outline of the valuation
 - i. Target Company Share Valuation Report dated December 2022

As a result of deliberating over the valuation method to be used in the Tender Offer, based on the idea that the value of the Target Company Share should be evaluated from various perspectives on the premise that the Target Company is a going concern, Mizuho Securities calculated the per-share value of the Target Company Shares using the market share price

analysis (since the Target Company Shares are listed on the Prime Market of the TSE and the market share price exists), the comparable company analysis (since there are multiple similar listed companies that are comparable with the Target Company and it is possible to analogize the share value through comparison with the market values of similar listed companies), and the DCF Analysis (to reflect the status of the Target Company's future business activities in the valuation).

The ranges of per-share values of the Target Company Shares calculated by Mizuho Securities using the above methods are as follows:

Market share price analysis:	419 yen to 451 yen
Comparable company analysis:	244 yen to 474 yen
DCF Analysis:	266 yen to 1,044 yen

Under the market share price analysis, where December 20, 2022 was the reference date for valuation, the per-share value of the Target Company Shares was calculated to range from 419 yen to 451 yen, based on the following prices of the Target Company Shares on the Prime Market of the TSE: the closing price of 419 yen as of the reference date; the simple average of the closing price of 430 yen for one month immediately preceding and up to the reference date; the simple average of the closing price of 438 yen for three months immediately preceding and up to the reference date; and the simple average of the closing price of 451 yen for six months immediately preceding and up to the reference date.

Under the comparable company analysis, the per-share value of the Target Company Shares was calculated to range from 244 yen to 474 yen through comparison with the market share prices and financial indicators indicating profitability of listed companies that engage in businesses comparatively similar to those of the Target Company.

Under the DCF Analysis, the Target Company's corporate value and share value were calculated by discounting the free cash flow that is expected to be generated by the Target Company in and after the fiscal year ending in March 2023 at a certain discount rate to the present value, based on the revenue forecast and the investment plan in the business plan for the fiscal year ending in March 2023 to the fiscal year ending in March 2026 prepared by the Target Company. Using this methodology, the per-share value of the Target Company Shares was calculated to range from 266 yen to 1,044 yen.

The Target Company's business plan (consolidated) for the fiscal year ending in March 2023 to the fiscal year ending in March 2026 used in the valuation using the DCF Analysis includes fiscal years in which significant increases or decreases in profits are expected. Specifically, in and after the fiscal year ending in March 2024, the sales level in the wire and cable business was expected to fluctuate in a similar manner to that in the second half of the fiscal year ending in March 2022 and almost no increase or decrease in the working capital was expected; therefore, a significant increase in free cash flow was expected. In the fiscal year ending in March 2026, profits were expected to increase by 35.4% compared to the previous fiscal year due to an increase in sales of, and cost improvement for, industrial equipment wires that constitute an emphasized area in the wire and cable business, recovery from the impact of the lockdown due to COVID-19 and the shortage of semiconductors and an increase in sales of certified new products in China and Malaysia in the electronic materials business, and an increase in orders in the sensor and medical business. In addition, since the amount of capital expenditure was expected decrease upon completion of a large amount of capital expenditure in the wire and cable business, a significant increase in free cash flow was expected. Furthermore, since it was difficult to specifically estimate the impact of the synergy effects expected to be achieved through implementation of the Transaction on the revenue at that time, such synergy effects are not reflected. As stated in the "Notice on Difference Between Earning Forecast Value and the Actual Value for the Second Quarter of the Fiscal Year Ending in March 2023 (Sum) and Revision of Consolidated Earnings Forecast for the Whole Fiscal Year" published by the Target Company on October 28, 2022, the Target Company made a downward revision on the consolidated earnings forecast value for the fiscal year ending in March 2023; however, this revision was made irrespective of the Transaction.

When calculating the value of the Target Company Shares, Mizuho Securities used information provided to it by the Target Company and publicly disclosed information or other materials on an as-is basis in principle, assumed that those materials and information are totally accurate and complete, and has not verified the accuracy or completeness thereof independently. Furthermore, Mizuho Securities has not independently evaluated or assessed assets or liabilities (including off-the-book assets or liabilities, and other contingent liabilities) of the Target Company or its affiliates, nor has it requested that a third party organization appraise or assess the same. In addition, with regard to the information on the Target Company's financial forecast (including the above-mentioned business plan), Mizuho Securities assumed that the forecast has been reasonably prepared based on the best available estimates and decisions at that time by the Target Company's management. Regarding the financial forecast, the Special Committee held question-and-answer sessions with the Target Company and confirmed the reasonableness of the details and the conditions precedent thereof, etc.

ii. Target Company Share Valuation Report dated June 2024

As a result of deliberating over the valuation method to be used in the Tender Offer, based on the idea that the value of the Target Company Share should be evaluated from various perspectives on the premise that the Target Company is a going concern, Mizuho Securities calculated the per-share value of the Target Company Shares using the market share price analysis (since the Target Company Shares are listed on the Prime Market of the TSE and the market share price exists), the comparable company analysis (since there are multiple similar listed companies that are comparable with the Target Company and it is possible to analogize the share value through comparison with the market values of similar listed companies), and the DCF Analysis (to reflect the status of the Target Company's future business activities in the valuation).

The ranges of per-share values of the Target Company Shares calculated by Mizuho Securities using the above methods are as follows:

Market share price analysis:	419 yen to 451 yen
Comparable company analysis:	303 yen to 593 yen
DCF Analysis:	413 yen to 861 yen

Under the market share price analysis, considering that the Target Company's stock price was believed to be influenced by the announcement of the Tender Offer, including the Tender Offer Price, in the Target Company Press Release, where December 20, 2022, the business day immediately preceding such influence believed to be caused by the announcement, was the reference date for valuation, the per-share value of the Target Company Shares was calculated to range from 419 yen to 451 yen, based on the following prices of the Target Company Shares on the Prime Market of the TSE: the closing price of 419 yen as of the reference date; the simple average of the closing price of 430 yen for one month immediately preceding and up to the reference date; the simple average of the closing price of 438 yen for three months immediately preceding and up to the reference date; and the simple average of the closing price of 451 yen for six months immediately preceding and up to the reference date.

Under the comparable company analysis, the per-share value of the Target Company Shares was calculated to range from 303 yen to 593 yen through comparison with the market share prices and financial indicators indicating profitability of listed companies that engage in businesses comparatively similar to those of the Target Company.

Under the DCF Analysis, the Target Company's corporate value and share value were calculated by discounting the free cash flow that is expected to be generated by the Target Company in and after the fiscal year ending in March 2025 at a certain discount rate to the present value, based on the revenue forecast and the investment plan in the business plan for the

fiscal year ending in March 2025 to the fiscal year ending in March 2026 prepared by the Target Company. Using this methodology, the per-share value of the Target Company Shares was calculated to range from 413 yen to 861 yen.

The Target Company's business plan (consolidated) for the fiscal year ending in March 2025 to the fiscal year ending in March 2029 used in the valuation using the DCF Analysis includes fiscal years in which significant increases or decreases in profits are expected. Specifically, in the fiscal year ending in March 2026, although working capital in the wire and cable business will increase, operating income in the electronic materials business will also increase, and completion of a large facility for that business will be delayed; in connection with this, the amount of capital expenditure, which tentatively increased in the fiscal year ending in March 2025, will decrease to the same level as that in the fiscal year ending in March 2024; therefore, a significant increase in free cash flow is expected. In the fiscal year ending in March 2027, operating income in the electronic materials business will increase, and the amount of investment and financing, which will tentatively increase in the fiscal year ending in March 2026, will decrease to the same level as that in the fiscal year ending in March 2025; therefore, a significant increase in free cash flow is expected. Furthermore, in the fiscal year ending in March 2028, in connection with an increase in sales of industrial equipment wires that constitute an emphasized area in the wire and cable business, and an increase in sales of and cost improvement for new advanced paste products that constitute an emphasized area in the electronic materials business, an increase in operating income of 33.3% is expected compared to the previous fiscal year; in addition, the amount of capital expenditure will decrease due to the completion of significant capital expenditure in the wire and cable business and the investment in renewal of each base of the electronic materials business; therefore, a significant increase in free cash flow is expected. Furthermore, since it was difficult to specifically estimate the impact of the synergy effects expected to be achieved through implementation of the Transaction on the revenue as of the date of the Target Company Share Valuation Report dated June 2024 (June 19, 2024), such synergy effects are not reflected.

When calculating the value of the Target Company Shares, Mizuho Securities used information provided to it by the Target Company and publicly disclosed information or other materials on an as-is basis in principle, assumed that those materials and information are totally accurate and complete, and has not verified the accuracy or completeness thereof independently. Furthermore, Mizuho Securities has not independently evaluated or assessed assets or liabilities (including off-the-book assets or liabilities, and other contingent liabilities) of the Target Company or its affiliates, nor has it requested that a third party organization appraise or assess the same. In addition, with regard to the information on the Target Company's financial forecast (including the above-mentioned business plan), Mizuho Securities assumed that the forecast has been reasonably prepared based on the best available estimates and decisions at the time by the Target Company's management. Regarding the financial forecast, although the Target Company's results were lower than projected in its business plan which was the basis for the Target Company Share Valuation Report dated December 2022, due mainly to the delay (shift in period) in the launch of new products in the electronic materials business, the overall financial forecast for the final fiscal year (ending in March 2029) of the planning period remains nearly on par with the projections for the final fiscal year (ending in March 2026) in the same business plan which was the basis for the Target Company Share Valuation Report dated 2022. The Special Committee held question-and-answer sessions with the Target Company and confirmed the reasonableness of the details and the conditions precedent thereof, etc.

- (c) Independent special committee established, and a written report obtained, by the Target Company
 - i. Acquisition of the Written Report dated December 20, 2022

In order to take great care in the Target Company's decision-making on the Transaction, to eliminate risk of arbitrariness and a conflict of interest in a decision-making process of the Target Company's board of directors, and to ensure the fairness thereof, the Target Company established the Special Committee consisting of three members, Mr. Takeshi Hanai (outside director of the Target Company), Mr. Inao Harato (outside director of the Target Company, attorney-at-law), and Ms. Etsuko

Taniguchi (outside director of the Target Company, certified public accountant), which is independent of the Tender Offeror Group and the Target Company Group, on October 11, 2022 (fees for the Special Committee members are fixed fees, and contingent fees are not employed; the Target Company appointed these three members as the Special Committee members from the beginning of its establishment, and none of the Special Committee members have been changed).

In deciding to establish the Special Committee, the Target Company's board of directors consulted the Special Committee on: (i) matters related to the reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to enhancement of the Target Company's corporate value); (ii) matters related to the appropriateness of the transaction conditions for the Transaction (including the appropriateness of the implementation method of the Transaction and the type of consideration); (iii) matters related to the fairness of the procedures for the Transaction (including deliberation over what measures to ensure the fairness should be taken to what extent); (iv) whether the Target Company's board of directors deciding to implement the Transaction (including expressing its opinion on the Tender Offer) would be disadvantageous to the minority shareholders based on the matters stated in (i) to (iii) above and other matters (the "Advisory Matters"). In addition, in making a decision on the Transaction, the Target Company's board of directors also resolved not to make a decision to implement the Transaction (including a decision to express its opinion in support of the Tender Offer and recommend tendering) if the Special Committee decides that the conditions, etc. for the Transaction are not appropriate, in order to pay the maximum respect to the Special Committee's opinion.

In addition, the Target Company's board of directors granted the Special Committee: (i) the authority to conduct investigations related to the Transaction at the Target Company's expense (including asking questions of, and seeking explanations or advice from, the Target Company's officers or employees involved in the Transaction or the Target Company's advisors for the Transaction, regarding matters necessary to deliberate over the Advisory Matters); (ii) the authority to request that the Target Company (a) convey the Special Committee's proposals, other opinions, or questions to the Tender Offeror and (b) arrange an opportunity for the Special Committee itself to hold discussions and negotiations with the Tender Offeror (including the Tender Offeror's advisors for the Transaction), the authority, even if the Special Committee does not request for arrangement of such opportunity, to promptly receive reports from the Target Company on the details of discussions and negotiations that the Target Company held with the Tender Offeror, and the authority to state its opinions and provide necessary instructions and requests to the Target Company regarding the policy for discussions and negotiations with the Tender Offeror based on the details of the reports, and (iii) the authority to appoint the Special Committee's own attorney-at-law, valuation organization, certified public accountant, or any other advisor, if necessary, at the Target Company's expense, to provide necessary instructions to the Target Company's advisors for the Transaction, and to request a change in the advisors if necessary. Following this, regarding Mizuho Securities which is the Target Company's third-party valuation organization and financial advisor, and TMI Associates which is the Target Company's legal advisor, since there were no issues in their independence and expertise, the Special Committee approved them as a third-party valuation organization and a financial advisor, and a legal advisor of the Target Company, respectively, and confirmed that the Special Committee may also receive professional advice from them as necessary.

The Special Committee held 12 meetings in total during the period from October 14, 2022 to December 20, 2022 and carefully discussed and deliberated over the Advisory Matters. Specifically, the Special Committee conducted: (i) interviews with the Tender Offeror regarding the purpose and background of the Transaction, the conditions for the Transaction, the management policy for the Target Company after the Transaction, and other related matters; (ii) interviews with the Target Company regarding the details and the formulation method of the business plan that was used by Mizuho Securities as the basis for the valuation of the Target Company Shares, the details of the Tender Offeror's proposals, the management policy for the Target Company after the Transaction, and other related matters; and (iii) interviews with Mizuho Securities regarding matters related to the valuation of the Target Company Shares.

As a result of careful discussions and deliberation over the Advisory Matters against the above-mentioned background, on December 20, 2022, the Special Committee submitted to the Target Company's board of directors, with unanimous approval of the members, the Written Report dated December 20, 2022 regarding the Advisory Matters, whose main details are as stated below.

(a) Contents of the report

- (i) The Transaction will contribute to enhancement of the Target Company's corporate value, and the purpose of the Transaction is reasonable.
- (ii) The transaction conditions for the Transaction, including the implementation method and the type of consideration for the Transaction, are appropriate.
- (iii) Appropriate measures to ensure fairness have been taken for the Transaction, and the procedures for the Transaction are fair.
- (iv) Based on (i) to (iii) above, the Target Company's board of directors (i) deciding to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer, and (ii) deciding to implement the Squeeze-Out Procedures after the Tender Offer will not be disadvantageous to the minority shareholders.

(b) Reasons for the report

I. Reasonableness of the purpose of the Transaction

The Special Committee received explanations regarding the purpose of the Transaction and the impact of the Transaction on the Target Company's corporate value from the Target Company and the Tender Offeror, and asked questions. An outline of the details thereof is as stated below.

- With the aim of achieving its management philosophy that "The Target Company Group will (i) continue to grow and enhance its corporate value on a mid to long-term basis by focusing on the wire and cable business and the electronic materials business as its core businesses, by continuously and actively making efforts to develop a business that will lead the next generation, and by promoting dynamic, speedy, fair, and highly transparent consolidated management, and (ii) contribute to sustainable development of society by providing unique products and services that fit customer needs while giving consideration to global environmental issues," the Target Company Group has engaged in business activities mainly in the wire and cable business, the electronic materials business, the sensor and medical business, and the environmental analysis business.
- Towards achievement of the management philosophy, on May 12, 2017, the Target Company Group formulated the "Long-Term Vision 2025." In implementing the long-term vision, the Target Company Group divided its businesses into three groups, i.e., "for-profit businesses," "for-growth businesses," and "mid- to long-term development businesses," in accordance with their growth phase and competitiveness, etc., and has developed these businesses by setting target periods, i.e., the first period (FY 2017 to FY 2019), the second period (FY 2020 to FY 2022), and the third period (FY 2023 to FY 2025).
- In the long-term vision, the Target Company Group aims to achieve 100 billion yen of sales and 10 billion yen of operating income in FY 2025, and it aims to become a niche top supplier that provides unique cutting-edge parts and materials by exploiting frontiers of wires and electronic materials. In order to achieve this, as its basic policy, the Target Company Group will pursue growth by actively

investing in the functional paste field and the medical device component field in which market expansion particularly is expected, and will pursue maximization of earned profits by promoting efficient investments and shifting to highly functional products in other existing business fields.

- However, in FY 2022, which is the final fiscal year of the second period (FY 2020 to FY 2022) in the Long-Term Vision 2025, it is expected that the shortage of semiconductors will be resolved gradually and that economic activities will recover from the COVID-19 issues; however, a significant failure of the plan is expected mainly because energy and raw material prices are rising and the for-growth businesses are still yet to contribute to revenue. The Target Company Group recognizes that it is necessary to reverify the goals and the timing of achievement thereof, etc. for the third period (FY 2023 to FY 2025) in the Long-Term Vision 2025.
- Since the products and services provided by the Target Company Group will be needed in connection with the development of IoT (Internet of Things), AI (artificial intelligence), and 5G communication, and the sophistication of health care, etc., there is no change in the mid to long-term projection that demand will expand, and the Target Company Group has addressed various issues and has made efforts in sales promotion and product development activities in line with the recovery of economic activities that stagnated due to the COVID-19 issues.
- Considering the market environment and economic circumstances as stated above, the Target Company recognizes that it is in a situation where goals and the timing of achievement thereof, etc. of the Target Company's long-term vision require re-deliberation. In such a situation, the Target Company believes that if it joins the Tender Offeror Group and becomes able to use resources of the Tender Offeror Group, with respect being paid to Target Company's management independence, the Target Company may get various options in developing the Target Company's business and being able to carry out business operation more actively. In addition, thereby, areas of duties which the Target Company's employees may work on will expand; therefore, the Target Company believes that even if it ceases to be a listed company, it may maintain and improve the motivation of its employees. Furthermore, the Tender Offeror has a policy to respect the Target Company's independence for the Target Company's commercial transactions and business partners, and the Tender Offeror is not supposed to get involved in details of the transactions; therefore, the Target Company believes that there will be no adverse effect on relationship with the Target Company's important business partners.
- The Target Company believes that it may expect effects including the following through the Transaction.

(i) Efficient use of management resources of both companies

The Target Company believes that implementation of more active personnel exchanges between both companies, and mutual complementation and optimization of various features, such as financial foundation, will contribute to achievement of the Target Company's long-term vision and to its future continuous growth. Specifically, through mutual complementation and optimization in networks under the management and planning, technology strategies, overseas bases and M&A, the Target Company believes that it will become able to respond to the revolution of global supply chain in the growing fields of both companies and a sense of speed specific to the electronics market, and it will also become able to reinforce company size capable of obtaining outside credit necessary at the time of start-up and use of M&A and ability to procure funds to withstand risk.

(ii) Further reinforcement of business competitiveness in the electronic materials field

The Target Company believes that further promotion of a cooperation system in the development field, such as the functional films business, functional paste business, and medical device component business, and sales expansion, etc. of the Target Company's electronic materials by using the Tender Offeror's information network in supply chains will contribute to further growth of the Target Company's business. As a specific example of the cooperation system, the Target Company believes that it may expect development of new products by using high-performance rolling copper foil technology, metal film forming technology, and simulation technology, held by the Tender Offeror.

(iii) Reinforcement of the business base in the wire and cable field

The Target Company believes that it will be able to further reinforce stable procurement/supply systems for electrolytic copper in both of the Tender Offeror and the Target Company. In addition, the Target Company believes that promotion of the use of/cooperation in management resources of the Tender Offeror Group and the Target Company Group, such as the network for scrap collection, will lead to stable securement of copper scrap and, by promoting recycling, establishment of an SDG promotion structure. In particular, the Target Company believes that if (i) the quantity and quality of information shared between both companies are improved and (ii) relationships regarding preferential supply of copper materials from the Tender Offeror to the Target Company and supply of scrap from the Target Company to the Tender Offeror depending on the demand become stronger, the percentage of recycled raw materials in the Tender Offeror's electrolytic copper may increase. In addition, the Target Company believes that in the long run, an increase of the percentage of recycled raw materials in electrolytic copper may lead to improvement of added value of products in the wire cable business, which is difficult to differentiate from those of other companies, and expansion of business opportunities. Furthermore, the Target Company believes that through using overseas bases and overseas network, etc. held by the Tender Offeror, overseas expansion of the wire and cable field may be promoted.

(iv) Reduction of cost for continuing listing and workload in administrative departments

The structure to continue listing of the Target Company Shares needs to be reinforced year by year through measures such as addressing continued listing criteria for new market segments developed in recent years and revisions of the corporate governance code. The cost for continuing listing in connection with the above measures is increasing year by year, and the Target Company believes that if the Tender Offeror becomes the Target Company's only shareholder and the Target Company becomes its wholly-owned subsidiary through the Transaction, the cost for continuing listing and workload for continuing listing may be reduced.

- Based on the above, the Target Company reached the conclusion that the Transaction will contribute to further enhancement of the Target Company's corporate value.
- The Tender Offeror also expects synergies including the following:

- (i) At present, as both companies interact with each other with the perspective of optimizing their own business under certain restrictions in information sharing, etc., effects of using both companies' management resources are limited. However, the Tender Offeror believes that implementation of more active personnel exchanges between both companies, and mutual complementation and optimization of various features, such as financial foundation, will contribute to achievement of the Target Company's long-term vision and to its future continuous growth. Specifically, through mutual complementation and optimization in networks under the management and planning, technology strategies, overseas bases, basic technology development, collaboration with start-up companies, and M&A, the Target Company will become able to respond to the revolution of global supply chain in the growing fields of both companies and a sense of speed specific to the electronics market, and it will also become able to reinforce company size capable of obtaining outside credit necessary at the time of start-up and use of M&A and ability to procure funds to withstand risk, and enhance human resources that may take charge of such measures.
- (ii) At present, highly confidential intellectual properties are undisclosed between both companies. However, if knowledge, technology, information, materials and know-how, etc. that the Tender Offeror Group and the Target Company own are integrated through the Transaction, and diversity and profundity thereof grow, it may expect effects of mutual complementation from the long-term perspective, including cross-selling, in which both companies have the other company sell their own products, and tech-scouting, which is an activity of the Tender Offeror to explore technologies contributing to resolution of technology issues for the Target Company's business departments and development departments. In addition, maximizing opportunities to use them may contribute to improvement in the utility value of the Target Company's R&D products and success rate in R&D.
- (iii) Since the Target Company is currently not a wholly-owned subsidiary of the Tender Offeror, the Target Company has not implemented personnel exchange of both companies' tech human resources and use of the Tender Offeror's technology development center, from the perspective of economic benefits of both companies, and the Tender Offeror has not shared customer information and market information with the Target Company from the perspective of information management. However, the Tender Offeror believes that elimination of these restrictions through the Transaction, further promotion of a cooperation system in the development field, such as the functional films business, functional paste business, and medical device component business, and sales expansion, etc. of the Target Company's electronic materials by using the Tender Offeror's information network in supply chains will contribute to further growth of the Target Company's business. As a specific example of the cooperation system, the Target Company may expect development of new products by using high-performance rolling copper foil technology, metal film forming technology, and simulation technology, held by the Tender Offeror.
- (iv) The Tender Offeror believes that if the conflict-of-interest relationship between both companies currently making sales transactions of electrolytic copper, a raw material of wire and cable, is dissolved through the Transaction, it will be able to further reinforce stable procurement/supply systems for electrolytic copper in both of the Tender Offeror and the

Target Company. In addition, the Tender Offeror believes that promotion of the use of/cooperation in management resources of the Tender Offeror Group and the Target Company Group, such as the network for scrap collection, will lead to stable securement of copper scrap and, by promoting recycling, establishment of an SDG promotion structure. In particular, if the quantity and quality of information shared between both companies are improved and relationships regarding preferential supply of copper materials from the Tender Offeror to the Target Company and supply of scrap from the Target Company to the Tender Offeror depending on the demand become stronger, the percentage of recycled raw materials in the Tender Offeror's electrolytic copper may increase.

The Special Committee held question-and-answer sessions with the Target Company and the Tender Offeror regarding the specific details of the above-mentioned matters and the possibility of enhancement of the Target Company's corporate value, etc., and verified the reasonableness thereof.

As a result, no particular unreasonable points were found in the Target Company's and the Tender Offeror's recognitions.

Furthermore, based on the details of the question-and-answer sessions with the Tender Offeror, the Special Committee also reached the conclusion that since the Tender Offeror has a policy to respect the Target Company's management independence, the following synergies and advantages can be expected:

- Through new collaboration with, and receipt of assistance from, the Tender Offeror Group, the Target Company will be able to resolve matters that the Target Company deems to be issues, such as sales marketing, new investments, fund raising, and development of new products, in particular, which will increase the likelihood of further significant growth of the Target Company.
- Currently, while the Target Company has achieved certain results in recruitment, education, and training of personnel, it is necessary to utilize global personnel and professional personnel in order to achieve the business development shown in the Target Company's long-term vision. Through the Transaction, it can be expected that personnel exchanges will become active and be strengthened between the Tender Offeror Group and the Target Company.
- The Transaction may strengthen the Target Company Group's corporate foundation and lead to enhancement of employment conditions and treatment of the Target Company Group's employees.

In addition, since the Transaction is based on the premise that the Target Company will go private, the Special Committee also deliberated over the impact of the Target Company going private.

When a listed company goes private, there can be concerns about changes in its employees' motivation, its commercial distribution, or relationships with its business partners. According to the Target Company, if it joins the Tender Offeror Group and becomes able to use resources of the Tender Offeror Group, with respect being paid to Target Company's management independence, the Target Company may get various options in developing the Target Company's business and being able to carry out business operation more actively. In addition, thereby, areas of duties which the Target Company's employees may work on will expand; therefore, the Target Company believes that even if it ceases to be a listed company by going private, it may maintain and improve the motivation of its employees. Furthermore, even if the Target Company becomes a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror has a policy to respect the Target Company's independence for the Target Company's

commercial transactions and business partners, and the Tender Offeror is not supposed to get involved in details of the transactions; therefore, the Target Company believes that there will be no adverse effect on relationship with the Target Company's important business partners.

Considering the above, it can be determined that there is no particular concern about the Target Company going private. Based on the points as stated above, as a result of careful discussions and deliberation, the Special Committee reached the conclusion that the Transaction will contribute to enhancement of the Target Company's corporate value from mid to long-term perspectives and that the purpose thereof is reasonable.

II. Appropriateness of the transaction conditions for the Transaction

(I) Mizuho Securities' share valuation report

According to the Target Company Share Valuation Report dated December 2022 that the Target Company obtained from Mizuho Securities, the per-share value of the Target Company Shares ranges from 419 yen to 451 yen as calculated using the market share price analysis, from 244 yen to 474 yen as calculated using the comparable company analysis, and from 266 yen to 1,044 yen as calculated using the DCF Analysis. The Tender Offer Price is 720 yen, which exceeds the upper limit values of the calculation results using the market share price analysis and the comparable company analysis and is within the range of the calculation results using the DCF Analysis and exceeds the median of the range.

Although the Tender Offer Price is less than the consolidated book value of net assets per share (778.83 yen) calculated based on the Target Company's consolidated book value of net assets as of the end of September 2022, considering that among the assets held by the Target Company, there seems to be plant facilities and equipment, etc. which are assets deemed to be difficult to be sold immediately and in bulk (in the Target Company's balance sheet (as of the end of September 2022), percentage of accounting items falling under plant facilities and equipment, etc. ("Buildings and structures, net" (8,393 million yen) and "Machinery, equipment and vehicles, net" (3,085 million yen) from among the total assets (58,704 million yen)) is 19.55%), and that additional costs, such as legal fees, etc., are expected to be incurred upon a company liquidation, even if the Target Company is liquidated, the consolidated book value of net assets will not necessarily be converted into the same amount of money, and in reality, the amount obtained by liquidation is assumed to be the consolidated book value of net assets after being impaired, so that it is not appropriate to decide the Tender Offer Price only by the consolidated book value of net assets per share.

The Special Committee received detailed explanations regarding the calculation methods used for the share valuation from Mizuho Securities, held question-and-answer sessions regarding the conditions precedent, including the selection of the valuation methods and the financial forecast based on the Target Company's business plan that served as the basis for the valuation, with Mizuho Securities and the Target Company, and deliberated over them. As a result, the Special Committee found no unreasonable points in light of general valuation practices.

(II) Level of premium over the market price included in the Tender Offer Price

The Tender Offer Price includes the following premiums: 71.84% on the closing price of the Target Company Shares of 419 yen on the Prime Market of the TSE as of December 20, 2022 which was the business day preceding the announcement date of the scheduled commencement of the Tender Offer; 67.44% on the simple average of the closing price of 430 yen for one month immediately preceding and up to December 20, 2022; 64.38% on the simple average of the closing price of 438 yen for three months immediately preceding and up to December 20,

2022; 59.65% on the simple average of the closing price of 451 yen for six months immediately preceding and up to December 20, 2022. The Special Committee confirmed that the level of such premiums was advantageous to the Target Company's shareholders when compared with the average level of premiums in 50 prior completed TOB cases, in which a parent company intended to make its listed subsidiary a private company (these TOB cases were announced on or after June 28, 2019, on which Ministry of Economy, Trade and Industry had released the "Fair M&A Guidelines") (average (39.87% on the share price on the business day immediately preceding the date of announcement; 42.81% on the simple average of the closing price for one month immediately preceding and up to the business day immediately preceding the date of announcement; 43.36% on the simple average of the closing price for three months immediately preceding and up to the business day immediately preceding the date of announcement; 44.58% on the simple average of the closing price for six months immediately preceding and up to the business day immediately preceding the date of announcement) and median (43.42% on the share price on the business day immediately preceding the date of announcement; 43.18% on the simple average of the closing price for one month immediately preceding and up to the business day immediately preceding the date of announcement; 41.02% on the simple average of the closing price for three months immediately preceding and up to the business day immediately preceding the date of announcement; 43.56% on the simple average of the closing price for six months immediately preceding and up to the business day immediately preceding the date of announcement).

(III) The fairness of the procedures for the negotiation process

As stated in "III. The fairness of the procedures for the Transaction" below, the procedures for the negotiation process for the Transaction, including the Tender Offer, are fair. As stated in "(IV) Discussions/negotiations between the Target Company and the Special Committee" of "III. The fairness of the procedures for the Transaction", as result of the negotiations, the price presented by the Tender Offeror actually increased up to the level regarding which the Tender Offeror stated several times that there would be no room for further increase of the Tender Offer Price. It can be found that the Tender Offer Price was decided through those negotiations.

(IV) Type of consideration

The consideration for the Transaction is planned to be cash throughout the Tender Offer and the Squeeze-Out Procedures to be implemented thereafter. Since the Tender Offeror shares are not listed, they lack adequate liquidity and are not appropriate as consideration for the Transaction. Therefore, it can be said that the type of consideration for the Transaction is appropriate.

(V) Conditions precedent to the Tender Offer

It is planned that when the Conditions Precedent to the Tender Offer are satisfied (or the Tender Offeror waives the Conditions Precedent to the Tender Offer), the Tender Offeror will be promptly conducted. However, considering that in the Tender Offer, it is difficult to accurately predict the period required for the procedures, etc. by domestic and overseas competition authorities, including that of China, it can be said that they are not unreasonable.

(VI) Summary

Based on the points stated above, as a result of careful discussions and deliberation, the Special Committee reached the conclusion that the transaction conditions for the Transaction are appropriate.

III. The fairness of the procedures for the Transaction

(I) Special committee established

From the beginning of the phase where the Tender Offeror proposed the Transaction to the Target Company and the Target Company replied that it would commence a full-scale deliberation over the Transaction to the Tender Offeror, the Special Committee was established and was granted the authority to appoint advisors and other authorities. With the maximum respect for the Special Committee's report, the Target Company resolved not to make a decision to conduct the Transaction if the Special Committee decides that the conditions for the Transaction are not appropriate (including a decision to express the Target Company's opinion in support of the Tender Offer and recommend tendering). No particular issues have been found regarding the composition of the Special Committee, such as its independence, expertise, and attribution, or the deliberation structure of advisors, etc.

(II) Method of deliberation by the Target Company

With the aim of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the determination to conduct the Transaction, and avoiding conflicts of interest, in deliberating over the Transaction, the Target Company carefully deliberated and discussed the appropriateness of the purchase conditions, including the Tender Offer Price, and the fairness of the set of procedures for the Transaction in terms of enhancement of the Target Company's corporate value and common interests of shareholders, and provision of an opportunity for sale under reasonable conditions to the Target Company's shareholders, while receiving advice and opinions, etc. from Mizuho Securities, which is a financial advisor and third-party valuation organization independent of the Tender Offeror and the Target Company, and TMI Associates, which is a legal advisor independent of the Tender Offeror and the Target Company.

Furthermore, the Special Committee confirmed that it may receive professional advice from Mizuho Securities and TMI Associates as necessary and actually received advice and opinions, etc.

(III) Share valuation report obtained by the Target Company from an independent third-party valuation organization

In deciding its opinion on the Tender Offer, the Target Company asked Mizuho Securities to calculate the value of the Target Company Shares, and obtained the Target Company Share Valuation Report dated December 2022 from Mizuho Securities on December 20, 2022.

(IV) Discussions/negotiations between the Target Company and the Special Committee

In line with the negotiation policy and advice presented by the Special Committee, the Target Company held practical discussions and negotiations with the Tender Offeror several times to ensure the fairness of the Tender Offer Price in terms of protection of interests of the minority shareholders.

Specifically, the Target Company, through Mizuho Securities, requested that the Tender Offeror increase the Tender Offer Price five times in total in accordance with the negotiation policy and advice presented by the Special Committee by comprehensively taking into account (i) the past transition of the market share price of the Target Company Shares, (ii) results of a test calculation of the share valuation by Mizuho Securities, the Target Company's financial advisor, and (iii) the fact that the standard of 1x PBR is one of the standards widely

recognized by the Target Company's shareholders, according to discussions in the TSE and Ministry of Economy, Trade and Industry, etc. The Target Company continued negotiations until the Tender Offeror finally stated several times that it would not be able to further increase the Tender Offer Price.

As a result of increases to the price presented by the Tender Offeror through those negotiations, the Tender Offer Price was determined to be 720 yen per share.

(V) Establishment of an independent deliberating organization on the part of the Target Company

In terms of eliminating structural conflicts of interest, the Target Company has built an internal structure to deliberate, negotiate, and make decisions on the Transaction independent of the Tender Offeror.

(VI) No involvement of specially interested persons in the negotiation process and decision-making process for the Transaction

The directors who deliberated and negotiated the Transaction on behalf of the Target Company did not include those who have special interests in the Transaction, and there is no fact that allows for a presumption that the Tender Offeror or any other person who has special interests in the Transaction exercised undue influence over the Target Company in the process of discussion, deliberation, and negotiation for the Transaction.

In terms of avoiding any doubt on conflicts of interest and ensuing the fairness of the Transaction, among the Target Company's directors, Mr. Manabu Hyakuno, who concurrently serves as a Senior Executive Officer of the Tender Offeror, as well as Mr. Hiroya Yamada, Mr. Masafumi Imai, and Mr. Yoshitaka Dooka, who are from the Tender Offeror, did not participate in discussions for agendas relating to deliberation over the Transaction at the meetings of the Target Company's board of directors, and did not participate in deliberation over the Transaction on behalf of the Target Company or discussions or negotiations for the Transaction with the Tender Offeror.

(VII) Majority of minority terms

If the minimum number of shares to be purchased is set for the "majority of the minority" in the Tender Offer, this will destabilize the successful completion of the Tender Offer and may not be in the interests of minority shareholders who seek to tender shares in the Tender Offer. Accordingly, the minimum number of shares to be purchased has not been set for the "majority of the minority." However, since the Tender Offeror and the Target Company have taken appropriate measures to ensure fairness in the Tender Offer, it can be considered that only the absence of setting of the minimum number equivalent to the "majority of the minority" will not lead to a determination that appropriate measures to ensure fairness have not been taken.

(VIII) Securing objective circumstances that ensure fairness of the Tender Offer

The Tender Offeror and the Target Company have not reached any agreement the content of which is to restrict a Counter Offeror from having contact with the Target Company, such as an agreement which includes a clause for protecting transactions to prohibit the Target Company from having contact with a Counter Offeror, and the opportunity for a counter purchase is not hindered.

The Tender Offeror has set the purchase period for the Tender Offer (the "Tender Offer Period") at 20 business days, which is the minimum period provided by relevant laws and regulations. Since the Tender Offer is expected to commence a certain period after the announcement date of the Transaction, an appropriate opportunity to allow

the Target Company's shareholders to decide whether to tender their shares in the Tender Offer is secured, and at the same time, an opportunity for a potential purchaser other than the Tender Offeror to purchase the Target Company Shares is substantially secured. Therefore, it can be considered that this will not lead to a determination that appropriate measures to ensure fairness have not been taken.

(IX) Appropriate information disclosure

In the Transaction, it is planned that the Squeeze-Out Procedures that will be subsequently conducted if the Tender Offer is successfully completed will be adequately disclosed in a tender offer registration statement to be submitted by the Tender Offeror, a press release to be released by the Target Company, and the like.

Regarding the amount of money to be delivered to the Target Company's shareholders who did not tender their shares in the Tender Offer if the Squeeze-Out Procedures are conducted after the Tender Offer, a press release, etc. will specify that: (i) in the case of the Demand for Cash-Out, an amount of money equal to the Tender Offer Price will be delivered as consideration per Tender Offeror Share; and that (ii) in the case of the Share Consolidation, the proceeds from selling the total number of fractional shares arising from the Share Consolidation will be calculated so that they will be the same price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by each of those shareholders. It can be said that appropriate measures to reduce the oppression against tendering shares in the Tender Offer have been taken.

(X) Summary

Based on the above, as a result of careful discussions and deliberation, the Special Committee reached the conclusion that appropriate measures to ensure fairness have been taken in the Transaction and that the procedures for the Transaction are fair.

IV. Whether the Target Company's board of directors decision to conduct the Transaction (including expression of opinion concerning the Tender Offer) is disadvantageous to the minority shareholders

As a result of careful deliberation based on the above, the Special Committee reached the conclusion that the Target Company's board of directors deciding to conduct the Transaction will not be disadvantageous to the minority shareholders. In other words, the Special Committee reached the conclusion that the Target Company's board of directors (i) deciding to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer, and (ii) deciding to implement the Squeeze-Out Procedures after the Transaction will not be disadvantages to the Target Company's minority shareholders.

ii. Acquisition of the Written Report dated June 20, 2024

Furthermore, on June 12, 2024, the Target Company received a notice from the Tender Offeror that, in response to the completion of the necessary procedures and measures based on Chinese competition laws, the Tender Offeror intends to commence the Tender Offer on June 21, 2024, on the assumption that all of the Conditions Precedent to the Tender Offer, including the completion of the necessary procedures and measures based on domestic and foreign competition laws, have been satisfied. The Target Company requested that the Special Committee deliberate over whether there is any change in the opinion in the Written Report dated December 20, 2022, and state its opinion to the board of directors of the Target Company to that effect if there is no change, and a changed opinion if there is any change.

As a result of deliberations, as detailed in a. below, the Special Committee submitted the Written Report dated June 20, 2024, to the Target Company's board of directors on that same date. This report received unanimous approval from all members. The main details are outlined below.

a. Deliberations by the Special Committee

To submit a report regarding the Advisory Matters (the "Report dated June 20, 2024"), the Special Committee discussed and deliberated over whether there have been any changes in the content of the Written Report dated December 20, 2022 from December 21, 2022 until today.

The specifics of the deliberations are as follows:

1. Holding Special Committee meetings

After December 21, 2022, the Special Committee held meetings seven times in total between March 8, 2024 and today. During these meetings, the Committee reviewed the Target Company's results, the market environment, and the progress of relevant procedures and measures taken by the Tender Offeror in accordance with domestic and foreign competition laws. In addition, detailed discussions and deliberations were conducted between meetings.

2. Receiving explanations from relevant persons

- (1) The Special Committee conducted interviews with the Target Company's officers and employees to confirm whether there were any material changes in its business conditions, or the environment surrounding the Transaction due to the extended Tender Offer Notice Period. They also checked if there were any changes in the Target Company's perspective regarding the purpose of the Transaction since the announcement of the scheduled commencement of the Tender Offer.
- (2) The Special Committee consulted with Mizuho Securities, the Target Company's financial advisor, to review trends in the market stock price of the Target Company Shares, fluctuations in the overall stock market including TOPIX, and to determine if any other events that should be considered in Mizuho Securities' valuation of the Target Company Shares.
- (3) The Special Committee received legal advice from TMI Associates, the Target Company's legal advisor, regarding the fairness of the procedures for the Transaction, and the progress of relevant procedures and measures taken by the Tender Offeror based on domestic and foreign competition laws.
- (4) On March 11, 2024, the Special Committee sent written inquiries to the Tender Offeror regarding the impact of the extended Tender Offer Notice Period on the Transaction and the progress of necessary procedures and measures based on Chinese competition laws. They received a written reply on March 22, 2024.
- (5) On May 30, 2024, the Special Committee made further written inquiries to the Tender Offeror to confirm whether any events had occurred that would materially change the reasonableness of the purpose of the Transaction, or the appropriateness of the transaction conditions, and to get an update

on the progress of relevant procedures and measures based on Chinese competition laws. They received a written reply on June 6, 2024.

- (6) On June 12, 2024, the Special Committee interviewed the Representative Director and President of the Tender Offeror regarding the appropriateness of the transaction conditions, including the Tender Offer Price.

3. Acquisition of the share valuation report

In deciding its opinion on the Tender Offer, the Target Company asked Mizuho Securities to calculate the value of the Target Company Shares again, and it obtained the Target Company Share Valuation Report dated June 2024 from Mizuho Securities on June 19, 2024.

The Special Committee received explanations from Mizuho Securities regarding the content of the Target Company's business plan, which formed the basis of the Target Company Share Valuation Report dated June 2024, and the calculation results of the Target Company Shares according to this report. Additionally, the Committee held question-and-answer sessions with Mizuho Securities.

- b. Opinion of the Special Committee regarding the Advisory Matters

As a result of deliberation, the Special Committee has reported the following opinion regarding the Advisory Matters, with unanimous approval of its members (the "Report"):

There is no change in the Special Committee's opinion stated in the Written Report dated December 20, 2022, and:

- (i) The Transaction will contribute to enhancement of the Target Company's corporate value, and the purpose of the Transaction is reasonable.
- (ii) The transaction conditions, including the implementation method and the type of consideration for the Transaction, are appropriate.
- (iii) Appropriate measures to ensure fairness have been taken for the Transaction, and the procedures for the Transaction are fair.
- (iv) Based on (i) to (iii) above, the Target Company's board of directors (i) deciding to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer, and (ii) deciding to implement the Squeeze-Out Procedures after the Tender Offer will not be disadvantageous to the minority shareholders.

- c. Outline of the reasons for the opinion and details of deliberations

1. Reasonableness of the purpose of the Transaction

As a result of the Special Committee's deliberations and discussions on and after December 21, 2022, (i) the Special Committee confirmed that there has been no change in the Tender Offeror's stance regarding the purpose of the Transaction, and its intention to respect the independence of the Target Company Group's management after the Tender Offer as it did previously and to generally maintain the current management policy, from the time of the announcement of the scheduled commencement of the Tender Offer, through (4) and (5) of "2. Receiving explanations from the relevant persons" under "a. Deliberations by the Special Committee" above; and (ii) the Special Committee gained a deep understanding of the Target Company's view

that in light of the current changes in the Target Company Group's management and fluctuations in its results, as well as the need to uphold a competitive advantage in its industry, the advantages of implementing the Transaction have increased, and the synergy effects anticipated from the Transaction have become more significant since the announcement of the scheduled commencement of the Tender Offer, through (1) of "2. Receiving explanations from the relevant persons" under "a. Deliberation by the Special Committee" above. Based on these insights, the Special Committee determined that there are no circumstances necessitating any modifications to the matters stated in "1. Reasonableness of the purpose of the Transaction" under "c. Outline of the reasons for the opinion and details of deliberations" of the Written Report dated December 20, 2022, on and after December 21, 2022.

2. Appropriateness of the transaction conditions for the Transaction

As a result of the Special Committee's deliberations and discussions after December 21, 2022, it has reached the conclusion that the transaction conditions are appropriate.

(1) Target Company Share Valuation Report dated June 2024

According to the Target Company Share Valuation Report dated June 2024 that the Target Company obtained from Mizuho Securities, the per-share value of the Target Company Shares ranges from 419 yen to 451 yen as calculated using the market share price analysis, from 303 yen to 593 yen as calculated using the comparable company analysis, and from 423 yen to 861 yen as calculated using the DCF Analysis. The Tender Offer Price is 720 yen, which exceeds the upper limit values of the calculation results using the market share price analysis and the comparable company analysis and is within the range of the calculation results using the DCF Analysis and exceeds the median of the range.

Although the Tender Offer Price is less than the consolidated book value of net assets per share (828.50 yen) calculated based on the Target Company's consolidated book value of net assets as of the end of March 2024, considering that among the assets held by the Target Company, there seems to be plant facilities and equipment, etc. which are assets deemed to be difficult to be sold immediately and in bulk (in the Target Company's balance sheet (as of the end of March 2024), percentage of accounting items falling under plant facilities and equipment, etc. ("Buildings and structures, net" (8,112 million yen) and "Machinery, equipment and vehicles, net" (2,633 million yen) from among the total assets (61,119 million yen)) is 17.58%), and that additional costs, such as legal fees, etc., are expected to be incurred upon a company liquidation, even if the Target Company is liquidated, the consolidated book value of net assets will not necessarily be converted into the same amount of money, and in reality, the amount obtained by liquidation is assumed to be the consolidated book value of net assets after being impaired, so that it is not appropriate to decide the Tender Offer Price only by the consolidated book value of net assets per share.

The Special Committee received detailed explanations regarding the calculation methods used for the share valuation from Mizuho Securities, held question-and-answer sessions regarding the conditions precedent, including the selection of the valuation methods and the financial forecast based on the Target Company's business plan that served as the basis for the valuation, with Mizuho Securities and the Target Company, and deliberated over them. As a result, the Special Committee found no unreasonable points in light of general valuation practices.

(2) The fairness of the procedures for the negotiation process

A. Procedures at the time of the announcement of the scheduled commencement of the Tender Offer

As stated in “3. The fairness of the procedures for the Transaction” under “c. Outline of the reasons for the opinion and details of deliberations” of the Written Report dated December 20, 2022, the procedures for the negotiation process for the Transaction, including the Tender Offer, were determined as fair. As stated in “(4) Discussions and negotiations by our company” of “3. The fairness of the procedures for the Transaction” of “Part IV. Outline of the reasons for the opinion and details of deliberation,” the Target Company has requested the Tender Offeror to increase the Tender Offer Price for at total of five times, and as result of such negotiations, the price presented by the Tender Offeror actually increased, and the Tender Offer Price was determined through such negotiations, where it was negotiated until the Tender Offeror eventually indicated that they may not increase the price any more.

B. Procedures after the announcement of the scheduled commencement of the Tender Offer

In light of the fact that on and after December 21, 2022, the review under Chinese competition laws was extended beyond expectations at that time, that the Tender Offer Notice Period was expected to reach the longest level seen in Japan, that the Tokyo Stock Price Index (TOPIX) increased by 44.02% between December 21, 2022 and March 8, 2024, and that there was a possibility that the rate of increase in the Tokyo Stock Price Index (TOPIX) during the Tender Offer Notice Period would reach the highest level seen in Japan, as stated in (4) through (6) under “2. Receiving explanations from the relevant persons” under “a. Deliberations by the Special Committee” above, the Special Committee held question-and-answer sessions with the Tender Offeror several times regarding the Tender Offeror’s opinion on the transaction conditions, including an increase in the Tender Offer Price. In response, the Special Committee received a reply from the Tender Offeror that in connection with the Tender Offer Price, although it recognized the upward trend in the overall stock market, it would be difficult to increase the Tender Offer Price from the perspective of the Tender Offeror’s economic rationality, that even based on a situation where the Target Company’s market stock price remained higher than the Tender Offer Price, it would be difficult to increase the Tender Offer Price, and that accordingly, it intended to maintain the Tender Offer Price at 720 yen per share. Therefore, the Special Committee determined that there is no room for an increase in the Tender Offer Price.

(3) Type of consideration

The consideration for the Transaction is planned to be cash throughout the Tender Offer and the Squeeze-Out Procedures to be implemented thereafter. Since the Tender Offeror shares are not listed, they lack adequate liquidity and are not appropriate as consideration for the Transaction. Therefore, it can be said that the type of consideration for the Transaction is appropriate.

(4) Relationship between the increase in the Tokyo Stock Price Index (TOPIX) and the Tender Offer Price

A. Impact of the increase in the Tokyo Stock Price Index (TOPIX) on the market stock price of the Target Company Shares

There has been a 44.12% increase in Tokyo Stock Price Index (TOPIX) between December 21, 2022, when the scheduled commencement of the Tender Offer was announced, and June 19, 2024, the business day

immediately preceding the announcement of the commencement of the Tender Offer. During the Tender Offer Notice Period, both the overall stock market and the market stock prices of domestic electric wire manufacturers have been on an upward trend on and after December 21, 2022. However, market stock prices have been fluctuating depending on individual companies' circumstances.

However, while domestic electric wire manufacturers achieved their mid-term management plans or result forecasts to a certain extent, the Target Company's results in the fiscal year ending in March 2023 and the fiscal year ending in March 2024 did not achieve the targets in its Long-Term Vision 2025 and its business plan on which the Target Company share valuation report obtained from Mizuho Securities on December 20, 2022 was based; considering this, it cannot be unequivocally stated that if the Tender Offer had not been announced, the Target Company's market stock price would have increased in the same manner as the overall stock market and the market stock prices of other domestic electric wire manufacturers.

B. Level of premium over the market price included in the Tender Offer Price

The Tender Offer Price is the price after the following premiums have been added: 71.84% on the closing price of the Target Company Shares of 419 yen on the Prime Market of the TSE as of December 20, 2022 which was the business day preceding the announcement date of the scheduled commencement of the Tender Offer; 67.44% on the simple average of the closing price of 430 yen for one month immediately preceding and up to December 20, 2022; 64.38% on the simple average of the closing price of 438 yen for three months immediately preceding and up to December 20, 2022; 59.65% on the simple average of the closing price of 451 yen for six months immediately preceding and up to December 20, 2022. The level of such premiums added is deemed to be considerable when compared with the average level of premiums in 66 prior completed TOB cases, in which a parent company intended to make its listed subsidiary a private company (these TOB cases were announced on or after June 28, 2019, on which Ministry of Economy, Trade and Industry had released the "Fair M&A Guidelines") (average (38.72% on the share price on the business day immediately preceding the date of announcement; 42.17% on the simple average of the closing price for one month immediately preceding and up to the business day immediately preceding the date of announcement; 42.13% on the simple average of the closing price for three months immediately preceding and up to the business day immediately preceding the date of announcement; 42.80% on the simple average of the closing price for six months immediately preceding and up to the business day immediately preceding the date of announcement) and median (40.67% on the share price on the business day immediately preceding the date of announcement; 42.68% on the simple average of the closing price for one month immediately preceding and up to the business day immediately preceding the date of announcement; 40.23% on the simple average of the closing price for three months immediately preceding and up to the business day immediately preceding the date of announcement; 40.88% on the simple average of the closing price for six months immediately preceding and up to the business day immediately preceding the date of announcement); and in addition, based on the rate of increase in the overall stock market during the Tender Offer Notice Period (the rate of increase in the Tokyo Stock Price Index (TOPIX) between December 21, 2022 and June 19, 2024, the business day immediately preceding the announcement of the commencement of the Tender Offer is 44.12%), a certain level of premiums is deemed to be added.

Therefore, taking into account A. above as well, the Special Committee concluded that the Tender Offer Price is appropriate.

(5) Relationship with dividends from surplus

On and after December 21, 2022, the Target Company did not pay dividends of surplus with the record dates of March 31, 2023 (end of the fiscal year ending in March 2023), September 30, 2023 (end of the second quarter of the fiscal year ending in March 2024), and March 31, 2024 (end of the fiscal year ending in March 2024). The Special Committee determined that this fact would have no impact on the above-mentioned conclusion.

In other words, according to the Tender Offeror, the market share price analysis, the comparable company analysis, and the DCF Analysis were used to calculate the per-share value of the Target Company Shares, and the calculation was made on the premise that no dividends of surplus would be paid with the record dates of March 31, 2023 (end of the fiscal year ending in March 2023), September 30, 2023 (end of the second quarter of the fiscal year ending in March 2024), and March 31, 2024 (end of the fiscal year ending in March 2024). According to Mizuho Securities, since the Tender Offer Price was decided based on the above-mentioned premise, if dividends had been paid, the Target Company's total assets would have decreased by an amount equivalent to the dividends paid to shareholders, which would have led to a decrease in the per-share value of the Target Company Shares. Therefore, if the Target Company had paid dividends of surplus with the record dates of March 31, 2023 (end of the fiscal year ending in March 2023), September 30, 2023 (end of the second quarter of the fiscal year ending in March 2024), and March 31, 2024 (end of the fiscal year ending in March 2024) on or after December 21, 2022, it would have been reasonable for the Tender Offeror to decrease the tender offer price by the amount of those dividends.

Therefore, the Special Committee determined that the fact that those dividends were not paid would have no impact on its decision that the Tender Offer Price is appropriate.

(6) Relationship between the market stock price of the Target Company Shares and the Tender Offer Price

The Target Company's market stock price was at a higher level than 720 yen per share, which is the Tender Offer Price, between June 12, 2024 and June 19, 2024, the business day immediately preceding the announcement of the commencement of the Tender Offer.

However, regarding the reason why the market stock price was at such level, it is reasonable to believe that it increased mainly as a result of trading by some shareholders of the Target Company based on market participants' expectations in relation to the commencement of the Tender Offer, considering that approval of the notification under Chinese competition laws was provided on June 11, 2024, and it is reasonable to believe that this does not reflect expectations of all shareholders of the Target Company

In addition, only some of the Target Company's shareholders can sell their shares at the current market stock price (realization of shares), and the Tender Offeror's proposal, which will provide all shareholders of the Target Company with an opportunity to realize the Target Company Shares at the Tender Offer Price, is considered to contribute to the interests of the Target Company's shareholders.

(7) Summary

Based on the points stated above, as a result of careful discussions and deliberation, the Special Committee reached the conclusion that the transaction conditions are appropriate.

3. The fairness of the procedures for the Transaction

(1) Holding of the Special Committee meetings

As stated in “1. Holding of the Special Committee meetings” and “2. Receiving explanations from the relevant persons” under “a. Deliberations by the Special Committee,” the Special Committee also conducted detailed discussions and deliberations after the announcement of the scheduled commencement of the Tender Offer.

(2) Target Company Share Valuation Report dated June 2024

As stated in “3. Acquisition of the share valuation report” under “a. Deliberations by the Special Committee,” in deciding its opinion on the Tender Offer, the Target Company asked Mizuho Securities, a third-party valuation organization independent of the Target Company, to calculate the value of the Target Company Shares again, and obtained the Target Company Share Valuation Report dated June 2024.

(3) Securing objective circumstances that ensure fairness of the Tender Offer

On and after December 21, 2022, the Tender Offeror and the Target Company have not reached any agreement the content of which is to restrict a Counter Offeror from having contact with the Target Company, such as an agreement which includes a clause for protecting transactions to prohibit the Target Company from having contact with a Counter Offeror, and the opportunity for a counter purchase is not hindered.

The Tender Offeror has set the Tender Offer Period at 20 business days, which is the minimum period provided by relevant laws and regulations. However, this Tender Offer is a prior announcement type of tender offer, and, as such, a set of transaction conditions, including the Tender Offer Price, were announced on December 21, 2022, and at the time of preparation of the Written Report dated June 20, 2024, approximately one year and six months have already elapsed since the announcement. Considering this, the Special Committee believes that an appropriate opportunity to allow the Target Company’s shareholders to decide whether to tender their shares in the Tender Offer and an opportunity for a potential purchaser other than the Tender Offeror to make a counter offer are secured, and that an opportunity for a potential purchaser other than the Tender Offeror to purchase the Target Company Shares is substantially secured.

(4) Other matters

In addition to (1) and (3) above, the Target Company has confirmed that no circumstances have arisen on and after December 21, 2022 necessitating any change in the matters stated in (1) through (9) of “3. The fairness of the procedures for the Transaction” under “Part IV. Outline of the reasons for the opinion and details of deliberations” of the Written Report dated December 20, 2022.

(5) Summary

Based on the above, as a result of careful discussions and deliberation, the Special Committee reached the conclusion that the procedures for the Transaction are fair.

4. The Transaction (including expression of opinion concerning the Tender Offer) is not disadvantageous to the minority shareholders

As a result of deliberation and discussions based on 1. through 3. above, particularly considering the unexpected extension under Chinese competition laws (since the materials announcing the scheduled commencement of the Tender Offer by both the Tender Offeror and the Target Company indicated a planned start in June 2023, it is obvious that the extension to this extent was not expected), and the significant increase in the Tokyo Stock Price Index (TOPIX) during the Tender Offer Notice Period, as well as the closing price of the shares of the Target Company as of the business day preceding the announcement date of the commencement of the Tender Offer is higher than the Tender Offer Price, many matters arose that required the Special Committee to deliberate on the appropriateness of transaction conditions from the perspective of minority shareholders. Therefore, as stated in “a. Deliberations by the Special Committee,” the Special Committee received necessary advice from Mizuho Securities, its financial advisor, and TMI Associates, its legal advisor, and conducted additional technical deliberations, including receiving explanations from relevant parties. As a result, taking into account the increased benefits for the Target Company in consummating this Transaction and the fact that the Tender Offer Price was determined through repeated negotiations with the Tender Offeror as of the time of the announcement of the scheduled commencement of the Tender Offer, the Special Committee confirmed that there have been no circumstances on and after December 21, 2022 necessitating changes to the matters stated in “4. Whether our company’s board of directors decision to conduct the Transaction (including expression of opinion concerning the Tender Offer) is disadvantageous to minority shareholders” under “c. Outline of the reasons for the opinion and details of deliberations” of the Written Report dated December 20, 2022. Therefore, the Special Committee has concluded that the decision by the Target Company’s board of directors to proceed with the Transaction will not be disadvantageous to minority shareholders.

In other words, the Special Committee reached the conclusion that the Target Company’s board of directors (i) deciding to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer, and (ii) deciding to implement the Squeeze-Out Procedures after the Transaction will not be disadvantages to the Target Company’s minority shareholders.

- (d) Advice from independent law firm to the Target Company

In order to ensure the fairness and appropriateness of the decision-making by the Target Company’s board of directors, the Target Company appointed TMI Associates as a legal advisor independent of the Tender Offeror Group and the Target Company Group, and received legal advice regarding the process and method of decision-making by the Target Company’s board of directors related to the Tender Offer and other matters to be noted in making a decision on the Tender Offer.

TMI Associates is neither a related party of the Tender Offeror Group nor the Target Company Group, nor does it have a material interest in the Transaction, including the Tender Offer. Fees for TMI Associates do not include a contingent fee that will be paid subject to successful completion of the Transaction.

- (e) Approval of directors of the Target Company with no interest in the Transaction

Based on the content of the legal advice received from TMI Associates and the Target Company Share Valuation Report, while paying the maximum respect to the content of the Written Report dated December 20, 2022 submitted by the

Special Committee, the Target Company's board of directors carefully discussed and deliberated over the Transaction in terms of enhancement of the Target Company's corporate value, appropriateness of various conditions for the Transaction, etc.

As a result, as stated in "(ii) Decision-making process and reasons leading to the Target Company's support of the Tender Offer" of "(2) Background, the purpose, and decision-making process leading to the determination to conduct the Tender Offer, and the management policy after the Tender Offer" of "1. Purpose of the purchase" above, the Target Company concluded that the Transaction, including the Tender Offer, will contribute to enhancement of the Target Company Group's corporate value, that the Tender Offer Price is appropriate, and that a reasonable opportunity to sell shares will be provided to the Target Company's shareholders. At the Target Company's board of directors meeting held on December 21, 2022, as the Target Company's opinion as of that date, it was resolved that if the Tender Offer commences, the Target Company will express an opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer.

Furthermore, at the Target Company's board of directors meeting held on December 21, 2022, the Target Company also adopted a resolution (i) that upon the commencement of the Tender Offer, the Target Company would request that the Special Committee deliberate over whether there is any change in the opinion in the Written Report dated December 20, 2022, and state its opinion to the board of directors of the Target Company to that effect if there is no change in the previous opinion, and a changed opinion if there is any change; and (ii) that the Target Company would express its opinion on the Tender Offer again, when the Tender Offer is to be commenced in light of the opinion of the Special Committee.

On June 12, 2024, the Target Company received a notice from the Tender Offeror that, in response to the Tender Offeror having obtained clearance under the Chinese competition laws, and the necessary procedures and measures based on domestic and foreign competition laws having been completed, the Tender Offeror intends to commence the Tender Offer on June 21, 2024, on the assumption that all of the Conditions Precedent to the Tender Offer, including the completion of the necessary procedures and measures based on domestic and foreign competition laws, have been satisfied. In response to that, while paying the maximum respect to the content of the Written Report dated December 20, 2022 and Written Report dated June 20, 2024 submitted by the Special Committee, in light of the Target Company's business conditions and environment surrounding the Transaction, the Target Company carefully deliberated over the various conditions on the Tender Offer again; as a result, the Target Company found no factors as of June 20, 2024 to change its opinion on the Tender Offer as of December 21, 2022.

Based on the above, at the Target Company's board of directors meeting held today, again, the Target Company resolved to express an opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer.

At the above-mentioned Target Company's board of directors meetings held on December 21, 2022 and today, out of the nine directors of the Target Company, five directors other than Mr. Hiroya Yamada, Mr. Masafumi Imai, Mr. Manabu Hyakuno, and Mr. Yoshitaka Dooka attended the discussions and resolutions, and the unanimous resolutions were adopted by the attending directors. In terms of avoiding any doubt on conflicts of interest and ensuing the fairness of the Transaction, among the Target Company's directors, Mr. Manabu Hyakuno, who concurrently serves as a Senior Executive Officer of the Tender Offeror, as well as Mr. Hiroya Yamada, Mr. Masafumi Imai, and Mr. Yoshitaka Dooka, who used to be employees of the Tender Offeror did not participate in discussions for agendas relating to deliberation over the Transaction at the meetings of the Target Company's board of directors, and did not participate in deliberation over the Transaction on behalf of the Target Company or discussions or negotiations for the Transaction with the Tender Offeror (although Mr. Hiroshi Maeyama, who is a director of the Target Company, used to be an employee of the Tender Offeror, he belonged to

the Tender Offeror seven or more years ago; considering this, it was decided that he would not have any influence on the fairness of the Transaction, and he participated in discussions for agendas relating to deliberation over the Transaction).

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

The Tender Offeror has not executed with the Target Company any agreement the content of which is to restrict a Counter Offeror from having contact with the Target Company, such as an agreement which includes a clause for protecting transactions to prohibit the Target Company from having contact with a Counter Offeror.

The Tender Offeror has set the Tender Offer Period at 20 business days, which is the minimum period provided by relevant laws and regulations. However, the Tender Offer is a prior announcement type of tender offer, and, as such, a set of transaction conditions, including the Tender Offer Price, were announced on December 21, 2022, and as of today, one year and six months have already elapsed since the announcement. Considering these, the Tender Offeror believes that an appropriate opportunity to allow the Target Company's shareholders to decide whether to tender their shares in the Tender Offer and an opportunity for a potential purchaser other than the Tender Offeror to make a counter offer are secured, and that the appropriateness of the Tender Offer Price is also ensured.

(iii) Relationship with the valuation organization

Daiwa Securities, which is the Tender Offeror's financial advisor and third-party valuation organization, is neither a related party of the Tender Offeror nor the Target Company, nor does it have a material interest in the Tender Offer.

(5) Number of shares to be purchased

Type of shares for purchase	Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
Common stock	39,039,916 (shares)	18,446,882 (shares)	- (shares)
Total	39,039,916 (shares)	18,446,882 (shares)	- (shares)

(Note1) If the total number of Tendered Shares falls short of the minimum number of shares to be purchased (18,446,882 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is equal to or greater than the minimum number of shares to be purchased (18,446,882 shares), the Tender Offeror will purchase all of the Tendered Shares. The minimum number of shares to be purchased (18,446,882 shares) is set as the number obtained by the following formula: first, multiply (a) the number of voting rights (617,791 voting rights) pertaining to the number of shares (61,779,134 shares) obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2024 (8,377,260 shares) stated in the Target Company Financial Results for the Fiscal Year Ending in March 2024 from the total number of issued shares as of March 31, 2024 (70,156,394 shares) stated in the Target Company Financial Results for the Fiscal Year Ending in March 2024 by (b) 2/3. Next, multiply the product (411,861 voting rights) (fractions less than 1 are rounded off) by one share unit number of the Target Company (100 shares). Then, deduct, from the product (41,186,100 shares), the number of Target Company Shares owned by the Tender Offeror today (22,739,218 shares).

(Note2) No maximum number of shares to be purchased has been set with respect to the Tender Offer. Therefore, the number of shares to be purchased lists the maximum number of Target Company Shares that the Tender Offeror can acquire through the Tender Offer (39,039,916 shares). The maximum number is the number of shares (39,039,916 shares) obtained by deducting the number of the treasury shares owned by the Target Company as of March 31, 2024 stated in Target Company Financial Results for the Fiscal Year Ending in March 2024

(8,377,260 shares) and the number of shares directly owned by Tender Offeror as of March 31, 2024 (22,739,218 shares) from the total number of the issued shares as of March 31, 2024 stated in the Target Company Financial Results for the Fiscal Year Ending in March 2024 (70,156,394 shares).

(Note3) Shares of less than one unit are also subject to the Tender Offer. If the Target Company’s shareholders exercise their right to request the purchase of shares of less than one unit in accordance with the Companies Act, the Target Company may purchase those shares during the Tender Offer Period pursuant to the procedures under the laws and regulations.

(Note4) There is no plan to acquire the treasury shares owned by the Target Company through the Tender Offer.

(6) Changes in the ownership ratio of shares as a result of the purchase

Number of voting rights pertaining to shares owned by the Tender Offeror before the purchase	227,392 voting rights	(Ownership ratio of shares before the purchase: 36.81%)
Number of voting rights pertaining to shares owned by specially related parties before the purchase	5,253 voting rights	(Ownership ratio of shares before the purchase: 0.85%)
Number of voting rights pertaining to shares owned by the Tender Offeror after the purchase	617,791 voting rights	(Ownership ratio of shares after the purchase: 100.00%)
Number of voting rights pertaining to shares owned by specially related parties after the purchase	0 voting rights	(Ownership ratio of shares after the purchase: 0.00%)
Number of voting rights of all shareholders of the Target Company	617,204 voting rights	

(Note 1) The “number of voting rights pertaining to shares owned by the Tender Offeror after the purchase” is the number of voting rights obtained by adding the “number of voting rights pertaining to shares owned by the Tender Offeror before the purchase” to the number of voting rights pertaining to shares to be purchased in the Tender Offer.

(Note 2) The “number of voting rights pertaining to shares owned by specially related parties before the purchase” indicates the total number of voting rights pertaining to shares owned by the specially related parties (excluding, however, specially related parties who are excluded from being a specially related party under Article 3, paragraph (2), item (i) of the Cabinet Office Order on Disclosure Required for a Tender Offer for Shares by Persons Other than the Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; the “Cabinet Office Order”) for the purpose of calculating the percentage of ownership of shares, under each item of Article 27-2, paragraph (1) of the FIEA). The “number of voting rights pertaining to shares owned by specially related parties after the purchase” is 0, since the shares owned by specially related parties (excluding treasury shares owned by the Target Company) are also subject to the Tender Offer.

(Note 3) The “number of voting rights of all shareholders of the Target Company” indicates the number of voting rights of all shareholders (the number of one unit: 100 shares) as of September 30, 2023 stated in the Third Quarterly Report for the 100th fiscal year submitted by the Target Company on February 13, 2024. However, given that shares less than one unit are also targets of the Tender Offer, for the purpose of calculating the “ownership ratio of shares before the purchase” and the “ownership ratio of shares after the purchase,” the number of voting rights (617,791 voting rights) pertaining to the number of shares (61,779,134 shares) obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2024 stated in the Target Company Financial Results for the Fiscal Year Ending in March 2024 (8,377,260 shares), from the total number of issued shares as of March 31, 2024 stated in the Target Company Financial Results for the Fiscal Year Ending in March 2024 (70,156,394 shares) was used as a denominator.

(Note 4) The “ownership ratio of shares before the purchase” and the “ownership ratio of shares after the purchase are both rounded off to two decimal places.

(7) Purchase price 28,108,739,520 yen (planned)

(Note) The purchase price is calculated by multiplying the number of shares to be purchased in the Tender Offer (39,039,916 shares) stated in “(5) Number of shares to be purchased” above by the purchase price per share (720 yen).

(8) Settlement method

(i) Name and main office location of financial instruments business operators, banks, and other institutions conducting settlement of purchases

Daiwa Securities Co., Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

(ii) Commencement date of settlement

July 26, 2024 (Friday)

(iii) Settlement method

Promptly following the expiration of the Tender Offer Period, notifications of the purchases in the Tender Offer will be mailed to the addresses or locations of the tendering shareholders (or the addresses of standing proxies for foreign shareholders).

Purchases will be made in cash. At the tendering shareholders’ instruction and promptly after the commencement date of settlement, proceeds of sales of shares that were purchased in the Tender Offer will be (i) remitted by the tender offer agent to a place designated by the tendering shareholders (or standing proxies for foreign shareholders) (remittance fees may apply), or (ii) paid into an account of the tendering shareholders whose applications for tendering were accepted by the tender offer agent.

(iv) Method of return of shares

If all or part of the shares are not purchased in accordance with the conditions described in “(i) Existence of conditions described in each item of Article 27-13(4) of the FIEA and details thereof” or “(ii) Existence of conditions for withdrawal of the Tender Offer, the details thereof, and method for disclosing withdrawal” of “(9) Other conditions and method of purchase” below, all shares that need to be returned will be promptly returned to the tendering shareholders by restoring the state of the tendering shareholders’ account opened with the tender offer agent upon the tender, on or after the second business day following the last day of the Tender Offer Period (or, if the Tender Offer is withdrawn, the date of such withdrawal).

(9) Other conditions and method of purchase

(i) Existence of conditions described in each item of Article 27-13(4) of the FIEA and details thereof

If the total number of Tendered Shares does not reach the minimum number of shares to be purchased (18,446,882 shares), none of the Tendered Shares will be purchased. If the total number of Tendered Shares equals or exceeds the minimum number of shares to be purchased (18,446,882 shares), all Tendered Shares will be purchased.

(ii) Existence of conditions for withdrawal of the Tender Offer, the details thereof, and method for disclosing withdrawal

In the event that any of the facts set forth in Article 14, paragraph (1), item (i), (a) through (j) as well as (m) through (s), Article 14, paragraph (1), item (iii), (a) through (h) and (j), as well as Article 14, paragraph (2), item (iii) through (vi) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "Order") occurs, the Tender Offer may be withdrawn. The "facts equivalent to those set forth in (a) to (i)" mentioned in Article 14, paragraph (1), item (iii), (j) of the Order means the following cases: (i) where it has been discovered that any of the statutory disclosure documents submitted by the Target Company in the past contains a false statement regarding a material matter or omits a material matter that should have been included, if the Tender Offeror is unaware of the false statement or the omission and could not become aware of the same despite having used a reasonable degree of care, and (ii) where any of the events set forth in (a) to (g) of the same item has occurred to an important subsidiary of the Target Company.

If the Tender Offer is intended to be withdrawn, an electronic public notice will be made, and a notice to that effect will be published in the Nihon Keizai Shimbun. However, if issuing the public notice by the last day of the Tender Offer Period proves difficult, an announcement will be made via the methods set forth in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter.

(iii) Existence of conditions for reduction in the purchase price, the details thereof, and method for disclosing such reduction

In accordance with Article 27-6, paragraph (1), item (i) of the FIEA, in the event that the Target Company engages in any of the actions described in Article 13, paragraph (1) of the Order during the Tender Offer Period, the purchase price may be reduced in accordance with the standards provided in Article 19, paragraph (1) of the Cabinet Office Order.

If the purchase price is intended to be reduced, an electronic public notice will be made, and notice of such electronic public notice will be published in the Nihon Keizai Shimbun. However, if issuing the public notice by the last day of the Tender Offer Period proves difficult, an announcement will be made via the methods prescribed in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter. If the purchase price is reduced, purchases will be made at the newly reduced price even with respect to the Tendered Shares that were tendered on or before the date on which such public notice was made.

(iv) Matters relating to rights held by tendering shareholders to terminate their agreements to tender shares and to withdraw any tendered shares

Tendering shareholders may terminate their agreements related to the tender offer at any time during the Tender Offer Period. When terminating such agreement, please deliver or mail a termination document (which refers to the acceptance note of the application form to tender in the tender offer and a document indicating an intention to terminate an agreement

related to the tender offer) to the main office or a domestic branch of the tender offer agent where your application for tendering was accepted no later than 4:00 pm on the last day of the Tender Offer Period. However, if you mail the termination document, the document must arrive by 4:00 pm on the last day of the Tender Offer Period. Since the business hours differ depending on if it is the main office or a domestic branch, please perform the termination procedures after confirming the business hours in advance. When terminating an agreement regarding your tender made through the online trade service, please terminate the agreement via the online trade service, or by delivering or mailing the termination document. If terminating the agreement via the online trade service, please follow the instructions provided on the online trade service screen, and complete the termination procedures no later than 4:00 pm on the last day of the Tender Offer Period. If the Target Company Shares are tradable via the online trade service, you can terminate an agreement for your tender which was made at a domestic branch via the online trade service. If you intend to terminate an agreement including shares less than one unit, such termination will be accepted at the domestic branch where your application for tendering was accepted.

Party authorized to receive the termination documents:

Daiwa Securities Co., Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

(Or other domestic branches of Daiwa Securities Co., Ltd.)

The Tender Offeror will not seek payment of damages or penalties from tendering shareholders in connection with termination of their agreements. Furthermore, any expenses associated with returning Tendered Shares will be borne by the Tender Offeror. In the case of any termination of any such agreement, Tendered Shares will be returned promptly after completing procedures by means described in “(iv) Method of return of shares” of “(8) Settlement method” above.

(v) Disclosure method where terms and conditions of purchase are changed

Except when prohibited under Article 27-6, paragraph (1) of the FIEA and Article 13 of the Order, the Tender Offeror may change the purchase conditions during the Tender Offer Period.

If the Tender Offeror changes any purchase conditions, an electronic public notice will be made regarding such changes, and notice of such electronic public notice will be published in the Nihon Keizai Shimbun. However, if issuing the public notice by the last day of the Tender Offer Period proves difficult, an announcement will be made via the methods prescribed in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter. If the Tender Offeror changes any purchase conditions, purchases of Tendered Shares will be made in accordance with the newly changed purchase conditions even with respect to Tendered Shares that were tendered on or before the date on which such public notice was made.

(vi) Disclosure method where an amended statement is submitted

If the Tender Offeror submits an amended statement to the Director-General of the Kanto Finance Bureau (excluding, however, the case specified in the proviso clause to Article 27-8, paragraph (11) of the FIEA), the Tender Offeror will immediately announce details indicated in the amended statement relating to the content described in the public notice for commencing a tender offer via the methods prescribed in Article 20 of the Cabinet Office Order. Furthermore, the Tender Offeror will immediately amend the tender offer explanation statement, and any tendering shareholders who have already received an original tender offer explanation statement will be provided with an amended version thereof. However, if the scope of the amendment is narrow, a document containing reasons for the amendment, the amended items, and the content following the amendment will be prepared and such document will be delivered to the tendering shareholders for the purpose of amending the previously provided tender offer explanation statement.

(vii) Disclosure method for results of the Tender Offer

The results of the Tender Offer will be publicly announced on the day following the last day of the Tender Offer Period in accordance with the methods prescribed in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Order.

(viii) Others

The Tender Offer is not conducted within the U.S. or directed to the U.S., whether directly or indirectly, is not conducted using the U.S. post or any other method or means for interstate commerce or international commerce (including, but not limited to, facsimile, email, Internet communication, telex, and telephone), and is not conducted through any U.S. securities exchange facility. No one can tender shares in the Tender Offer by the above-mentioned method or means, through the above-mentioned facility, or from the U.S.

Neither the tender offer registration statement for the Tender Offer nor relevant purchase documents are sent or distributed within the U.S., to the U.S., or from the U.S. by post or any other method, and such sending or distribution is not allowed. Any tender in the Tender Offer directly or indirectly violating the above-mentioned restrictions will not be accepted.

When tendering shares in the Tender Offer, tendering shareholders (in the case of foreign shareholders, their standing proxy) may be required to represent and warrant the following to the tender offer agent:

- the tendering shareholder is not located in the U.S. at the time of both tendering its shares and sending a tender offer application form;
- the tendering shareholder has not received or sent any information related to the Tender Offer (including copies thereof) within the U.S., to the U.S., or from the U.S., whether directly or indirectly;
- the tendering shareholder has not used the U.S. post or any other method or means for interstate commerce or international commerce (including, but not limited to, facsimile, email, Internet communication, telex, and telephone), or any securities exchange facility within the U.S., whether directly or indirectly, at the time of purchase or execution and delivery of a tender offer application form; and
- the tendering shareholder is not acting as an unauthorized agent, trustee, or mandatory of any other person (excluding where such other person provides all instructions related to purchase outside the U.S.).

(10) Date of public notice for commencement of the Tender Offer

June 21, 2024 (Friday)

(11) Tender offer agent

Daiwa Securities Co., Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

3. Policies after the Tender Offer and future prospects

For the policies, etc. after the Tender Offer, please see “(2) Background, the purpose, and decision-making process leading to the determination to conduct the Tender Offer, and the management policy after the Tender Offer” and “(5) Likelihood of delisting and reasons therefor” of “1. Purpose of the purchase” above.

4. Other

(1) Agreement between the Tender Offeror and the Target Company or its officers, and the details thereof

According to the Target Company Press Release, at the board of directors meeting held on December 21, 2022, the Target Company resolved to express its opinion in support of the Tender Offer and recommend that its shareholders tender their shares in the Tender Offer if the Tender Offer commences as its opinion as of that date. Furthermore, the Target Company decided that there are no factors warranting a change in its opinion regarding the Tender Offer as of December 21, 2022. Accordingly, the Target Company resolved to express its opinion, and reaffirmed its support of the Tender Offer and recommend that its shareholders tender their shares in this Tender Offer, at the board of directors meeting held on June 20, 2024.

For details regarding the decision-making of the Target Company, please see the Target Company Press Release as well as “(e) Approval of directors of the Target Company with no interest in the Transaction” of “(Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest)” of “(ii) Outline of the valuation” of (4) Basis for the valuation of the purchase price” of “2. Outline of the purchase” above.

(2) Other information that is considered to be necessary when investors determine whether to tender shares in an offer to purchase

(i) Release of the “Notice Regarding Dividends of Surplus (Non-payment) for the Fiscal Year Ending in March 2024 (End of the Second Quarter)”

At the board of directors’ meeting held on September 26, 2023, the Target Company passed a resolution not to pay a second quarter-end dividend for the fiscal year ending in March 2024. For details, please see the “Notice Regarding Dividends of Surplus (Non-payment)” released by the Target Company on September 26, 2023.

(ii) Release of the “Notice Regarding Dividends of Surplus (Non-payment) for the Fiscal Year Ending in March 2024 (End of the Fiscal Year)”

At the board of directors’ meeting held on March 26, 2024, the Target Company passed a resolution not to pay a year-end dividend for the fiscal year ending in March 2024. For details, please see the “Notice Regarding Dividends of Surplus (Non-payment)” released by the Target Company on March 26, 2024.

(iii) Release of the “Financial Results for the Fiscal Year Ending in March 2024 [Japanese GAAP] (Consolidated)”

The Target Company released its “Financial Results for the Fiscal Year Ending in March 2024 [Japanese GAAP] (Consolidated)” on May 14, 2024. The following summary is an extract from the announcement by the Target Company. For details, please see the contents of the release.

(a) Status of profits and losses (consolidated)

Fiscal year/month	Consolidated fiscal year (From April 1, 2023 to March 31, 2024)
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Net sales	64,119 million yen
Operating income	2,547 million yen
Ordinary income	2,688 million yen
Net income attributable to owners of the parent	1,765 million yen

(b) Status per share (consolidated)

Fiscal year/month	Consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Net income per share	28.58 yen
Dividends per share	0 yen
Net assets per share	828.54 yen

(iv) Release of the “Personnel Matters of Officers (tentative)”

At the board of directors’ meeting held on March 14, 2024, the Target Company passed a resolution regarding changes in officers, etc. as follows and plans to propose changes in officers, among other changes, at the annual shareholders’ meeting scheduled for June 21, 2024. For details, please see the “Personnel Matters of Officers (tentative)” released by the Target Company on May 14, 2024.

Name	Current position	New position
Kubo Nozomu	Executive Advisor	Director, Executive Officer In charge of Administration and Human Resources Department (concurrently) Manager of Administration and Human Resources Department
Maeyama Hiroshi	Director, Senior Executive Officer In charge of Administration and Human Resources Department (concurrently) Manager of Administration and Human Resources Department	Part-time Advisor, Administration and Human Resources Department

(v) Release of the “Notice Regarding Change of Representative Directors (tentative)”

At the board of directors’ meeting held on March 14, 2024, the Target Company passed a resolution regarding change of representative directors (the appointment of two representative directors and the new appointment of one such representative director) as follows, and plans to propose it at the annual shareholders’ meeting scheduled for June 21, 2024 and the board of director’s meeting to be held thereafter. For details, please see the “Notice Regarding Change of Representative Directors (tentative)” released by the Target Company on May 14, 2024.

Name	Current position	New position
Yamada Hiroya	Representative Director, Chief Executive Officer	Representative Director, Chairman of the Board

Morimoto Shohei	Director, Senior Executive Officer, General Manager of Electronic Materials & System Equipment Group, General Manager of Functional Materials Division, Electronic Materials & System Equipment Group	Representative Director, Chief Executive Officer
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- (vi) Release of the “(Progress of Disclosed Matters) Notice Regarding Progress of Implementation of Tender Offer for Shares of Our Company by JX Advanced Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc.”

The Target Company released the “(Progress of Disclosed Matters) Notice Regarding Progress of Implementation of Tender Offer for Shares of Our Company by JX Advanced Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc.” dated June 12, 2024. For details, please see the content of the release.

End

[Restriction on Solicitation]

This press release is intended to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting a tender for a sale. If you intend to tender an offer to sell the shares in the Tender Offer, please make sure that you refer to the tender offer explanatory document regarding the Tender Offer in advance, and tender for it at your own discretion. This press release is not a tender for, or a solicitation for a tender for, a sale of, or a solicitation for purchase of securities, and does not constitute a part of the foregoing. In addition, this press release (or any part of it) or any distribution hereof will not be the basis for any agreement concerning the Tender Offer, nor will it be relied upon when executing any such agreement.

[Prediction of the Future]

JX Metals does not promise that the projections expressed or implied as “forward-looking statements” will ultimately be accurate. The “forward-looking statements” in this press release have been prepared based on information available to JX Metals as of the date hereof, and unless otherwise required by law or regulation, JX Metals will not be responsible for updating or otherwise revising such forward-looking statements in order to reflect any future event or circumstances.

[Regulations of the United States]

Unless the Tender Offer can be implemented in compliance with applicable laws and various regulations in the United States, JX Metals will not conduct the Tender Offer in or to the United States or to a United States person (within the meaning of “United States person” provided in Regulation S of the Securities Act of 1933; hereinafter the same in this section). In this case, tenders for shares of the Target Company in the Tender Offer cannot be conducted by any means, usage or method, or through any facility, from the United States, within the United States, or by those existing or residing the United States, or by any person acting for account of a United States person or for the profit of a United States person.

[Other Countries]

In certain countries or regions, the announcement, issue, or distribution of this press release may be restricted by laws or regulations. In such cases, you are required to be aware of such restrictions and comply with them. This press release does not constitute any solicitation of an offer to purchase or offer to sell shares in relation to the Tender Offer, and shall be considered as a mere distribution of informative materials.