[Translation]

November 6, 2024

To Whom it may concern:

Net One Systems Co., Ltd.
(Stock Code:7518, TSE Prime)

Notice Concerning the Opinion in Support of the Tender Offer for the Shares, etc. of the Company by SCSK Corporation, and Recommendation to Tender the Shares

Net One Systems Co., Ltd. (the "Company") hereby announces that, as stated below, regarding the tender offer for the Company's shares of common stock (the "Company Shares"), Stock Acquisition Rights (as defined in "(2) Stock Acquisition Rights" in "2. Tender Offer Price" below) and American Depositary Receipts (as defined in "(3) Depositary Receipts for Shares, etc." in "2. Tender Offer Price" below) by SCSK Corporation (the "Tender Offer"), the Company resolved at its Board of Directors meeting held today to the effect that it shall (i) express its opinion in support of the Tender Offer, (ii) recommend that the Company's shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks (as defined in "(3) Depositary Receipts for Shares, etc." in "2. Tender Offer Price" below) in advance and receiving delivery of the Company Shares related to the American Depositary Shares (as defined in "(3) Depositary Receipts for Shares, etc." in "2. Tender Offer Price" below) represented by their American Depositary Receipts, and (iii) leave the decision to the holders of the Stock Acquisition Rights (the "Stock Acquisition Rights Holders") as to whether or not to tender in the Tender Offer.

The resolution at the abovementioned meeting of the Board of Directors has been adopted based on the assumption that the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror through the Tender Offer and a series of subsequent procedures and that the Company Shares will be delisted.

1. Overview of the Tender Offeror

(1) Name	SCSK Corporation
(2) Location	3-2-20, Toyosu, Koto-ku, Tokyo
(3) Name and title of representative	Takaaki Touma, Representative Director, President
(4) Description of	IT consulting, IT system development, verification services, IT

business	infrastructure construction, IT management, IT hardware and software sales, BPO (Note 1)	
(5) Capital	21,420,000,000 yen (as of March 31, 2024)	
(6) Date of incorporation	October 25, 1969	
(7) Major shareholders and shareholding ratios (as of March 31, 2024) (Note 2)	Sumitomo Corporation	50.60%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	7.34%
	Custody Bank of Japan, Ltd. (Trust Account)	4.79%
	SCSK Group Employee Stock Ownership Association	2.17%
	STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1.42%
	SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Service Department)	1.31%
	ARGO GRAPHICS Inc.	0.98%
	STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	0.77%
	JAPAN POST INSURANCE Co.,Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	0.69%
	GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A., Tokyo Branch)	0.65%

(8) Relationship between the Company and the Tender Offeror

Capital relationship	There is no capital relationship between the Tender Offeror and the Company.
Personnel relationship	There is no personnel relationship between the Tender Offeror and the Company.
Business relationship	There is a business relationship between the Tender Offeror and the Company regarding ICT equipment.
Status as related party	The Company is not a related party of the Tender Offeror.

(Note 1) "BPO" (Business Process Outsourcing) refers to services to undertake various corporate operations as an external contractor.

(Note 2) "(7) Major shareholders and shareholding ratios (as of March 31, 2024)" is based on the "Status of Major Shareholders" included in the Annual Securities Report for the 56th fiscal year filed by the Tender Offeror on June 20, 2024.

2. Tender Offer Price

(1) 4,500 yen per share of the Company Shares (the "Tender Offer Price").

(2) Stock Acquisition Rights (the stock acquisition rights in (i) through (x) below are collectively referred to as the "Stock Acquisition Rights" and the price of tender offer per Stock Acquisition Right in the Tender Offer shall be collectively referred to as the "Stock Acquisition Right Purchase Price".)

(i) The stock acquisition rights of 2012 issued pursuant to the resolution of the Board of Directors of the Company held on June 14, 2012 (exercise period is from July 3, 2012 to July 2, 2042): 1 yen per stock acquisition right

(ii) The stock acquisition rights of 2013 issued pursuant to the resolution of the Board of Directors of the Company held on June 13, 2013 (exercise period is from July 2, 2013 to July 1, 2043): 1 yen per stock acquisition right

(iii) The stock acquisition rights of 2014 issued pursuant to the resolution of the Board of Directors of the Company held on June 17, 2014 (exercise period is from July 4, 2014 to July 3, 2044): 1 yen per stock acquisition right

(iv) The stock acquisition rights of 2015 issued pursuant to the resolution of the Board of Directors of the Company held on June 16, 2015 (exercise period is from July 3, 2015 to July 2, 2045): 1 yen per stock acquisition right

(v) The stock acquisition rights of 2016 issued pursuant to the resolution of the Board of Directors of the Company held on June 16, 2016 (exercise period is from July 5, 2016 to July 4, 2046): 1 yen per stock acquisition right

(vi) The stock acquisition rights of 2017 issued pursuant to the resolution of the Board of Directors of the Company held on June 15, 2017 (exercise period is from July 4, 2017 to July 3, 2047): 1 yen per stock acquisition right

(vii) The stock acquisition rights of 2018 issued pursuant to the resolution of the Board of Directors of the Company held on June 14, 2018 (exercise period is from July 3, 2018 to July 2, 2048): 1 yen per stock acquisition right

(viii) The stock acquisition rights of 2019 issued pursuant to the resolution of the Board of Directors of the Company held on June 13, 2019 (exercise period is from July 2, 2019 to July 1, 2049): 1 yen per stock acquisition right

(ix) The stock acquisition rights of 2020 issued pursuant to the resolution of the Board of Directors of the Company held on June 11, 2020 (exercise period is from July 2, 2020 to July 1, 2050): 1 yen per stock acquisition right

(x) The stock acquisition rights of 2021 issued pursuant to the resolution of the Board of Directors of the Company held on June 23, 2021 (exercise period is from July 13, 2021 to July 12, 2051): 1 yen per stock acquisition right

(3) Depositary Receipts for Shares, etc.

4,500 yen per share of the Company Shares related to the American depositary shares (the "American Depositary Shares") deposited with Deutsche Bank Trust Company Americas and Citibank, N.A. (collectively, the "Depositary Banks"), which are represented by the American depositary receipts (the "American Depositary Receipts") related to the Company Shares issued in the United States by the Depositary Banks.

(Note) According to the notification (Form F-6EF) or amended notification (Form F-6 POS) for the American Depositary Receipts submitted by Deutsche Bank Trust Company Americas as of October 10, 2008 and September 29, 2017 to the U.S. Securities and Exchange Commission (the "SEC") and the same submitted by Citibank, N.A. as of September 16, 2015 to the SEC (collectively, the "American Depositary Receipts Notifications"), the American Depositary Receipts for the Company Shares were issued in the United States. However, the Company was not involved in the issuance of these American Depositary Receipts. Since the Tender Offeror aims to acquire all of the Company Shares (including common shares of the Company to be delivered as a result of the exercise of the Stock Acquisition Rights and excluding the treasury shares held by the Company) and all of the Stock Acquisition Rights in the Tender Offer, the Tender Offeror includes the American Depositary Receipts as the type of share certificates, etc., to be purchased because it needs to solicit applications for sales, etc., for all the shares, etc. issued by the Company pursuant to Article 27-2, paragraph (5) of the Financial Instruments and Exchange Act (Act No. 25 of 1948; as amended; "Act") and Article 8, paragraph (5), item (iii) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965; as amended). On the other hand, while the American Depositary Receipts are securities issued in the United States, it has been determined that it will be difficult for the Tender Offeror, which is a resident of Japan, to acquire the American Depositary Receipts themselves in the Tender Offer implemented outside the United States because there are no financial instruments business operators, etc., that can handle the acquisition as a tender offer agent in practice. Accordingly, in the Tender Offer, the Tender Offeror will accept tenders of the Company Shares and the Stock Acquisition Rights only, and instead of accepting tenders of the American Depositary Receipts themselves, it will accept tenders of the Company Shares related to the American Depositary Shares deposited with the Depositary Banks represented by the American Depositary Receipts. Therefore, the owners of the American Depositary Receipts who wish to tender in the Tender Offer should deliver the American Depositary Receipts to the Depositary Banks and receive the delivery of the Company Shares related to such American Depositary Shares represented by the American Depositary Receipts, in advance. The Tender Offeror will not conduct a tender offer for the Company Shares, Stock Acquisition Rights, and American Depositary Receipts owned by U.S. residents.

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

(1) Details of the Opinion

At the Board of Directors meeting held today, the Company resolved, based on the rationale and reasons stated in "(2) Grounds and Reasons for the Opinion" below, to the effect that it shall (i) express its opinion in support of the Tender Offer, (ii) recommend that the Company's shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (iii) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

The above resolution of the Board of Directors was resolved in the manner described in "E. Approval of All Disinterested Directors (Including Members of the Audit & Supervisory Committee) of the Company" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

(2) Grounds and Reasons for the Opinion

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

A. Outline of the Tender Offer

Pursuant to its board of directors resolution on November 6, 2024, the Tender Offeror decided to implement the Tender Offer as part of a transaction (the "Transaction") intended to acquire all of the Company Shares listed on the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") Prime Market (including common shares of the Company to be delivered as a result of the exercise of the Stock Acquisition Rights and excluding treasury shares held by the Company) and all of the Stock Acquisition Rights and make the Company a wholly owned subsidiary of the Tender Offeror. As of today, the Tender Offeror owns none of the Company Shares or Stock Acquisition Rights.

(Note 1) The breakdown of the Stock Acquisition Rights outstanding as of today is as follows:

Name of Stock Acquisition Rights	Number of Stock Acquisition Rights as of today (units)	Number of the Company Shares to be issued upon exercise of the Stock Acquisition Rights (shares)
FY 2012 Stock Acquisition Rights	44	4,400
FY 2013 Stock Acquisition Rights	56	5,600
FY 2014 Stock Acquisition Rights	104	10,400
FY 2015 Stock Acquisition Rights	100	10,000
FY 2016 Stock Acquisition Rights	148	14,800
FY 2017 Stock Acquisition Rights	84	8,400
FY 2018 Stock Acquisition Rights	57	5,700
FY 2019 Stock Acquisition Rights	52	5,200
FY 2020 Stock Acquisition Rights	62	6,200
FY 2021 Stock Acquisition Rights	139	13,900

Total	846	84,600

With respect to the Tender Offer, the Tender Offeror entered into the Business Integration and Tender Offer Agreement (the "Business Integration and Tender Offer Agreement") with the Company on November 6, 2024, which sets forth (i) matters concerning cooperation between the Company and the Tender Offeror for implementation of the Transaction and (ii) matters concerning their business integration. For details of the Business Integration and Tender Offer Agreement, please refer to "4. Details of Material Agreements Concerning the Tender Offer" below.

Since the Tender Offeror intends to make the Company its wholly owned subsidiary, it has set the minimum number of shares to be purchased in the Tender Offer at 52,960,600 shares (ownership ratio (Note 2): 66.67%). If the total number of the Shares tendered in the Tender Offer (the "Tendered Shares") is less than the minimum number of shares to be purchased (52,960,600 shares), the Tender Offeror will purchase none of the Tendered Shares. Meanwhile, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer since it aims to make the Company its wholly owned subsidiary by acquiring all of the Company Shares (including common shares of the Company to be delivered as a result of the exercise of the Stock Acquisition Rights and excluding the treasury shares held by the Company) as described above. If the total number of the Tendered Shares is not less than the minimum number of shares to be purchased (52,960,600 shares), the Tender Offeror will purchase all of the Tendered Shares. The minimum number of shares to be purchased (52,960,600) has been determined based on the following calculation: (i) the number of voting rights (794,408 voting rights) represented by the number of the Company Shares (79,440,893 shares) ("Total Number of Company Shares After Adjustment for Diluted Shares") calculated as follows: (a) the total number of issued shares as of September 30, 2024 as stated in the "Summary of Consolidated Financial Results for the Six Months (interim period) Ended September 30, 2024 (Based on Japanese GAAP)," published by the Company on November 6, 2024 (the "Company's Q2 Financial Results") (80,308,700 shares), plus (b) the number of Company Shares to be issued upon exercise of the 846 Stock Acquisition Rights, which is the total number of Stock Acquisition Rights remaining as of today (84,600 shares), minus (c) the number of treasury shares held by the Company as of September 30, 2024 as stated in the Company's Q2 Financial Results (952,407 shares); multiplied by (ii) a factor of two-thirds (with the product being 529,606 voting rights, which is rounded up to the nearest whole number); multiplied by (iii) the number of share units of the Company (100 shares) (with the product being 52,960,600 shares) . The reason for this decision is as follows: The purpose of the Transaction for the Tender Offer is to make the Company its wholly owned subsidiary; If, upon the completion of the Tender Offer, the Tender Offeror fails to acquire all of the Company Shares (including common shares of the Company to be delivered as a result of the exercise of the Stock Acquisition Rights and excluding the treasury shares held by the Company) and all of the Stock Acquisition Rights in the Tender Offer and implements the share consolidation procedure described in "(5) Policies for Reorganization After the Tender Offer (Matters Concerning the So-Called "Two-Step Acquisition"))" below, a special resolution at the shareholders' meeting as stipulated in Article 309, paragraph 2 of the Companies Act (Act No. 86 of 2005; as amended; the "Companies Act") will be required; Accordingly, for the

purpose of securing the implementation of the Transaction, the Tender Offeror has set the minimum number so that such requirement will be satisfied by ensuring that the Tender Offeror will own at least two-thirds of the total voting rights of all the shareholders of the Company after the Tender Offer.

(Note 2) "Ownership ratio" refers to the ratio (rounded to the second decimal place; hereinafter the same applies in the calculation of the ownership ratio) of the number of the Company Shares to the Total Number of Company Shares After Adjustment for Diluted Shares.

If the Tender Offeror fails to acquire all of the Company Shares (including common shares of the Company to be delivered as a result of the exercise of the Stock Acquisition Rights and excluding the treasury shares held by the Company) and all of the Stock Acquisition Rights in the Tender Offer, it plans to implement a series of procedures to make the Tender Offeror the Company's only shareholder and make the Company the Tender Offeror's wholly owned subsidiary (the "Squeeze-Out Procedures") after the completion of the Tender Offer as described in "(5) Policies for Reorganization After the Tender Offer (Matters Concerning the So-Called "Two-Step Acquisition")" below.

B. Background, Purpose and Decision-Making Process Which Led to the Decision by the Tender Offeror to Implement the Tender Offer and Management Policy After the Tender Offer

(i) Background, Purpose and Decision-Making Process Which Led to the Decision to Implement the Tender Offer

The Tender Offeror is a "global IT services company" created in October 2011 through the merger of Sumisho Computer Systems Corporation (an information services provider established in October 1969 as a subsidiary of Sumitomo Corporation originally named Sumisho Computer Service Corporation., which was listed on the Second Section of the Tokyo Stock Exchange in February 1989, moved to the First Section of the Tokyo Stock Exchange in September 1991 and was renamed to Sumisho Computer Systems Corp. in October 1992) as the surviving company and CSK Corporation (an independent information services provider which was established in October 1968, originally named Computer Services Corporation, listed on the Second Section of the Tokyo Stock Exchange in June 1982 and shifted to the First Section of the Tokyo Stock Exchange in March 1985) as the absorbed company. As of today, the Tender Offeror is listed on the Tokyo Stock Exchange Prime Market.

Under its corporate philosophy of "Create Our Future of Dreams", the Tender Offeror is committed to transform itself, achieve further advancement, support the Japanese economy and industry with IT, produce new value through IT and work with clients and society to create a future they desire in the spirit of partnership, thereby seeking to become a "Leading Company in IT Industry" that is widely recognized as being outstanding in a broad range of aspects such as technology and service quality, client satisfaction, human resources and management quality.

The Tender Offeror's group consists of the Tender Offeror, its 29 consolidated subsidiaries and its three equity method affiliates (the "Tender Offeror Group") and offers IT Consulting, Systems Development, Verification Services, IT infrastructure development, IT management, IT hardware and software sales, BPO Services and other

services through close coordination of the following business segments: “Industrial IT Business,” “Financial IT Business,” “IT Business Solutions,” “IT Platform Solutions,” “IT Management Service” and “Others.”

Under its corporate philosophy of “Create Our Future of Dreams”, the Tender Offeror Group positions the concept of sustainability management at the core of its management, aiming for sustainable growth by contributing to the resolution of social issues. In addition, in April 2020, it identified seven material issues forming the compass in the promotion of its sustainability management as issues to be addressed in order to practice its corporate philosophy, and established Grand Design 2030 as its medium- to long-term vision. In Grand Design 2030, it sets forth its vision of evolving into a “Co-Creative IT Company”. This is the representation of its corporate group that continues to provide new value in order to resolve various issues by promoting co-creative efforts (Note 3) with clients, partners, and society through the enhancement of the human capital of the Tender Offeror Group. Along with the goal of becoming a Co-Creative IT Company, Grand Design 2030 also outlines two directions of its corporate management: “Dramatic improvements in comprehensive corporate value (Note 4)” and “Challenge on the scale of Net Sales 1 Trillion Yen.”

The Tender Offeror Group drafted its Medium-Term Management Plan (FY2023-2025) in April 2023 with the aim of realizing its goal of achieving Grand Design 2030. Toward the dramatic improvements in comprehensive corporate value achieved through (i) “Reorganization of business areas and redevelopment of business models to continue providing new value to clients and society”, and (ii) “Maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of the Tender Offeror Group”, it promotes three core strategies (Core Strategy 1: Decisive Business Shifts; Core Strategy 2: Development of Market-Leading Businesses in Growth Markets; and Core Strategy 3: Advancement of Next-Generation Digital Businesses through Co-Creation with Society) as specific measures.

Currently, the Tender Offeror Group believes that domestic IT services market in which the Tender Offeror Group operates, is expected to see moderate but steady market growth. However, the Tender Offeror Group recognizes that it will observe drastic changes in demands for IT services, which are the sources of the market growth, from conventional information and communication technology (ICT) demands to system renovations intended to digitize businesses, modernization of operations themselves (innovation of operations and operational processes) and even business transformation needs to realize sustainable society as a result of rapid digitization of society. The Tender Offeror Group recognizes the need to establish its strategic position as an IT services provider that can actively respond to such changes in the business environment and lead the digitization of society.

In order to become a Co-Creative IT Company as envisioned in Grand Design 2030 by achieving sustainable growth with a view to trends of society, market and advanced technologies and other factors in the medium- to long-term, the Tender Offeror has sought opportunities not only to seek autonomous growth by maximizing its internal capital, but also to reform its business portfolio and strengthen its business foundation through various measures including collaboration and partnerships with external parties based on its belief that those measures will be critical factors.

Over the years, the Tender Offeror has developed a corporate culture of facing its clients

sincerely and closely support them as their IT partner, and has wide-ranging experience and track records of application development in various types of businesses and industries. On the other hand, the Tender Offeror is aware that, in order to realize Grand Design 2030 and lead the digitization of society, it must drastically transform its business structure itself to develop Technology-Driven Approach business by placing a greater focus on the development, utilization and application of advanced digital technologies.

The Tender Offeror believes that, in achieving such transformation of its business structure, it is essential to strengthen and advance its business foundation that utilizes advanced technologies in the IT infrastructure area (Note 5), in which it lacks a customer base and various technological resources due to the structure of its business portfolio, in addition to its efforts to further improve its capabilities to utilize advanced technologies in the application area (Note 6). Currently, the Tender Offeror has limited integration capabilities (response capabilities in a series of processes from design to construction, testing, and implementation) in the fields of network and security, and has been only partially successful in developing its business that organically connects the area of application with the area of IT infrastructure. It recognizes its strategic business issue that it has not developed its business foundation to an adequate level to provide services unifying those two areas, for which demands are likely to grow remarkably due to qualitative shifts in social demands for IT services as a result of advances to be made in digital technologies.

(Note 3) "Co-creation" refers to the process of creating new value with customers, partner companies, and the community, rather than by the Tender Offeror alone.

(Note 4) Corporate value to be aimed for as the Tender Offeror Group's fundamental corporate capabilities in practicing "sustainability management as a growth strategy and working to become a Co-Creative IT Company in 2030 under the Medium-Term Management Plan (FY2023-FY2025). This corporate value includes both economic value and non-financial factors such as social value and human capital value.

(Note 5) "IT infrastructure area" refers to the technological area that serves as the foundation for the operation of applications.

(Note 6) "Application area" refers to software and computer programs that operate on IT infrastructure, such as business systems, mobile applications, and web applications.

The Company was established in February 1988, at the dawn of computer networking, as Japan's first company specializing in the integration of network systems, and it began the business of integrating network systems that would serve as the foundation for its customers' business activities and solutions to social issues. The Company's stock was listed on the First Section of the Tokyo Stock Exchange in December 2001, and, through the market restructuring in the Tokyo Stock Exchange in April 2022, as of today, it is listed on the Prime Market of the Tokyo Stock Exchange.

Based on its purpose of "unleashing the potential of people and networks, and creating a prosperous future by carrying on/inheriting tradition and making innovation happen," the Company has established a unique position in the ICT industry as an integrator with strengths in computer networks and specialties in the infrastructure domain. The Company evaluates cutting-edge infrastructure products (i.e., hardware, software, cloud services, and AI platforms) based on its unique intellectual properties and knowledge.

The Company's business domains are Enterprise Business, Telecommunications Carrier Business, Public Business, and Partner Business, and the Company provides support throughout the entire lifecycles of its customers' ICT platforms, covering all aspects from design and integration to maintenance and operation. The Company's main businesses (segments) are characterized as follows:

(i) Enterprise Business: The Company conducts business for major private companies in the manufacturing and non-manufacturing industries, as well as for domestic financial institutions and foreign companies. By developing and optimizing the entire ICT platform, including cloud systems, the Company supports its customers in their enhancement of competitiveness through information utilization, work style reforms, and cost reductions.

(ii) Telecommunications Carrier Business: The Company has expanded its business by focusing on the building of telecommunications networks owned by telecommunications carriers and Internet Service Providers (ISPs). In recent years, the Company has been building service platforms associated with cloud computing and security, which its customers provide along with telecommunication networks.

(iii) Public Business: The Company conducts business mainly for local governments, education institutions, companies that provide social infrastructure, and hospitals. The Company enhances the security of public information and other data and develops common platforms that optimize investment costs.

(iv) Partner Business: The Company is conducting a resale business that sells products and services through collaboration with system integrators who undertake all-in-one information system outsourcing.

In the ICT industry, to which the Company belongs, management with a strong awareness of sustainability is required. As part of its sustainability policy, the Company has been working to hone its ICT expertise in relation to critical assessment and the knowledge that comes from "superior network technology," "multi-vendor support" and "co-creation with customers" to provide services that create both social and economic value, thereby contributing to a sustainable society and achieving sustainable growth for the Company. On the other hand, looking at recent changes in the environment surrounding the ICT industry, as advanced technologies such as AI, IoT and quantum computers, are being implemented in society, high-quality and secure network infrastructure has become indispensable. Amidst the growing demand for digitization, the Company perceives there is a business opportunity in a business that can contribute to solving social issues and aims to achieve further growth and development by utilizing its characteristics.

In light of this business environment, in order to realize the above-mentioned purposes, the Company has established the mission of becoming a company where "each of us is a professional with outstanding expertise and high ethical standards, and contributes to solving the problems of society and our customers," and the four visions of "acting with pride as a leading network company," "creating added value unique to Net One and achieving sustained growth," "continuing to be an elite group of people who train their minds and skills through continuous self-improvement," and "maintaining an appropriate profit structure to fulfill our responsibilities to a wide range of stakeholders." With its "world-class network technology," "critical assessment capabilities" to find optimal

solutions from a neutral standpoint based on the market environment, cutting-edge technology and appreciation of the real issues faced by its customers, and "integration capabilities" to combine multiple products and services, the Company has been striving to design and integrate optimal IT systems and achieve services that would take into consideration the utilization of each IT system after installation. As part of its corporate culture, the Company upholds the principle of "thinking and acting on one's own initiative" while always being sincerely committed to its customers and partners as a pioneer in the network industry. Specifically, the Company is working to foster and establish the five cultural practices of 1) creating value as a team, 2) showing mutual support, 3) relishing challenges, 4) maintaining purpose-driven attitudes and 5) confronting risks.

In addition, in order to realize the above-mentioned purposes, the Company has formulated the "Vision for 2030," which sets out the Company's medium- to long-term management goals and direction in relation to the above-mentioned visions. For example, with respect to the vision of "acting with pride as a leading network company," the Company aims to be recognized by society as an exemplary company and a company that takes advanced initiatives. Similarly, with respect to the vision of "creating added value unique to Net One and achieve sustained growth," the Company aims to create added value that addresses market needs in order to solve issues faced by society, the market and customers as well as to create new business by expanding its business domain and utilizing its intellectual properties.

The Company believed that formulating a specific roadmap for "realizing the purpose" and "realizing the 'Vision for 2030'," which is a milestone on the way to realizing its purpose, while promptly responding to the recent rapid changes in the market and economic environment as well as technological innovation in Japan, was an important matter of consideration for management and the execution of business. While proceeding with such considerations, the Company came to consider the need for non-linear growth through means such as capital and business alliances, in addition to the conventional approach of utilizing the Company's business resources to grow existing businesses.

Under these circumstances, based on the initial exchange of opinions between the management teams of the Tender Offeror and the Company regarding the future business visions and strategies in mid-September, 2023, the Tender Offeror and the Company have continually and repeatedly discussed on multiple occasions since early October 2023 regarding competitive advantages and impacts on the market and industry that are expected if they realize the business integration. Amid these situations, the Tender Offeror came to believe that, by operating business with the Company in an integrated way and utilizing the business foundations of both of the companies based on the business integration in the spirit of equality, it would be able to seek business synergies in the short term, such as cross-selling for clients with whom there is no mutual transaction; and that, in the medium- to long-term, it could resolve the strategic business challenge of the lack of adequate business foundations to offer services that integrate the application area and the IT infrastructure area, which are expected to be in much higher in demand in the future amid qualitative changes in demand for IT services in the society due to the evolution of digital technologies, and by merging advanced and latest IT infrastructure service technologies with software engineering services utilizing application service technologies, it could offer unified digital services ranging from network, security and cloud to data utilization and other applications and develop into a new corporate body that would lead the IT service industry and contribute to the development of Japanese economy and

resolution of social issues in the society where any and all persons, things and events are connected as a result of digitization. As this idea is based on the same direction as indicated in the idea "IT Digital Platform Company" presented by the Company in the discussions with it, the Tender Offeror determined that the Company and the Tender Offeror could create new values that either side finds it difficult to realize on its own by engaging in the same business together. Against such a background, the Tender Offeror commenced a full-scale examination of a possible capital and business alliance with the Company, methods thereof and other related issues in late-November 2023.

Thereafter, in late February 2024, the Tender Offeror received notification from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities"), the Company's financial advisor, that it would conduct the first-round process for selecting the Company's strategic partner to realize the Company's further growth in the future (the "First-Round Process") and that Mitsubishi UFJ Morgan Stanley Securities intends to invite the Tender Offeror to the First-Round Process as one of the companies with complementary strengths that could promote the Company's growth. Three business companies, including the Tender Offeror, participated in the First-Round Process.

The Tender Offeror decided in late February 2024 to participate in the First-Round Process as it has come to believe that the Transaction would contribute to enhancing the corporate value of both the Tender Offeror and the Company in view of the high compatibility between future business plans of the two.

In early March 2024, the Tender Offeror selected Daiwa Securities Co. Ltd. ("Daiwa Securities") as its financial advisor and a third-party valuation institution independent from the Tender Offeror and the Company, and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as its legal advisor independent from the Tender Offeror and the Company. While also receiving advice from Daiwa Securities whenever necessary, the Tender Offeror considered the submission of its first letter of intent based on the business plan (the "Business Plan") of the Company for three periods from the fiscal year ending March 2025 through the fiscal year ending March 2027, which it obtained from Mitsubishi UFJ Morgan Stanley Securities, and submitted on April 30, 2024, the first letter of intent stating that the Tender Offeror would conduct the Transaction.

The Company then carefully examined the contents of the first letter of intent from the perspectives of enhancing the corporate value of the Company and securing the common interests of its shareholders and decided to approve the participation of the Tender Offeror in the second-round process (the "Second-Round Process"). The Tender Offeror then received a notification from the Company on July 26, 2024, announcing that the Tender Offeror had passed the First-Round Process and that its participation in the Second-Round Process was approved, through Mitsubishi UFJ Morgan Stanley Securities and it was decided that the Tender Offeror was to participate in the Second-Round Process. For the Second-Round Process, the Tender Offeror conducted, in a period between late July 2024 and early September 2024, due diligence on the business, finance, tax, legal affairs, human resources, IT, etc. of the Company, and interviews with the management of the Company, and has proceeded with detailed analyses and examinations on specific measures to be taken to deliver business synergies between the Tender Offeror Group and the Company, and management policies, etc. to be taken after the Tender Offeror makes

the Company its wholly owned subsidiary. Two business companies, including the Tender Offeror, participated in the Second-Round Process.

In view of these examinations and processes, the Tender Offeror concluded in late September 2024 that the management philosophies and stances toward corporate culture of the Tender Offeror and the Company were highly compatible, and that the Tender Offeror's business integration with the Company would lead to the birth of a business group that would be capable of establishing a highly competitive position with unparalleled, overwhelming features combining the network/security/IT infrastructure area and the application area. The Tender Offeror was therefore convinced that the business integration would help secure sustainable growth and maximize corporate value of the Tender Offeror and the Company. For the reasons for the Company's selection of the Tender Offeror as a result of the Second-Round Process, please refer to "A. Implementation of the Process" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

The Tender Offeror recognizes that the management philosophies and visions embraced by the Tender Offeror and the Company are extremely compatible. The Company embraces the purpose "Unleash the potential of people and networks, and create a prosperous future by carrying on/inheriting tradition and making innovation happen" and the mission "Each of us is a professional with outstanding expertise and high ethical standards, and contributes to solving the problems of society and our customers" (Note 7). In the meantime, the Tender Offeror adopts a corporate philosophy "Create Our Future of Dreams" and pursues "Our Promises" to achieve the philosophy—"Respecting each other," "Providing excellent service utilizing reliable technology," and "Sustaining growth from a global and future perspective" (Note 8). The Tender Offeror believes that the two companies share the fundamental ideas—make the most of the capabilities of "people," enhance "technologies," and contribute to the "future."

In addition, the five cultural practices that the Company aims to establish by the end of its Medium-Term Management Plan (the five cultural practices are "creating value as a team," "relishing challenges," "maintaining purpose-driven attitudes," "showing mutual support," and "confronting risks") significantly overlap with the Tender Offeror's Code of Conduct, which are "Challenge: Aim higher with future creating passion," "Commitment: Act with integrity and responsibility for our customers and society," and "Communication: Facilitate teamwork with respect and understanding." Furthermore, the Company states in its 2024 Integrated Report, "efforts to permeate our corporate philosophy are, through the phase of 'appreciation' for the philosophy, going to enter the phase of 'sympathy and resonance,' where employees act on the philosophy together and their actions will gain an external recognition and reputation as cultural practices unique to Net One." On the part of the Tender Offeror, President and Representative Director Takaaki Touma said in a message to all employees he delivered when he took office in April 2022, "I recognize that the Group must be an entity that contributes to and is deemed necessary by society. I am therefore tasked with supporting all Group members in walking their differing roads toward individual happiness while also enabling us to contribute to society as an organization. I believe the sustainable growth we are aiming for should be the result of the achievement of these tasks. It is therefore imperative that everyone at the SCSK Group have a strong understanding of the values we cherish which are embedded in our corporate philosophy, our business vision, our raison d'être, and our

future direction so that we can fulfill the role of our organization." promoting "Value-Driven Management" toward realization of its desirable corporate group vision. Given the above, the Tender Offeror understands that the two companies' corporate cultures are highly compatible and that the management perspectives of their leaders have many commonalities.

(Note 7) Cited from the corporate philosophy of the Company on its website (https://www.netone.co.jp/english/company/message/philosophy/).

(Note 8) Cited from the management philosophy of the Tender Offeror on its website (https://www.scsk.jp/index_en.html).

The Tender Offeror seeks to provide a software engineering service utilizing advanced digital technologies in the medium and long term through the business integration with the Company, and to contribute to realization of a world where individuals, companies and the society can utilize such technologies at will. The Tender Offeror plans to build a software engineering service based on advanced digital technologies on a platform where the Company's network integration technologies are enhanced, and to offer the service as its next-generation core business in Japan and abroad, by conducting necessary transformation and enhancement of the system integration business and other current core businesses, reinforcing its business consultation capabilities, and developing advanced digital technologies. The Tender Offeror believes that these businesses can be effective when system integration and network integration are combined, that is, the Tender Offeror and the Company work together, and that it can solve social issues that may arise in various forms by providing new value and take a lead in digitalization of society.

The Tender Offeror is also confident that toward realizing a business plan to be envisioned by the corporate group to be created through the business integration with the Company, it can further enhance its innovativeness, growth, and profitability, develop into a company that spearheads the digitalization of society by providing new value to social issues, and achieve the maximization of corporate value by promoting the following three central businesses specifically.

(1) "Digital Infrastructure PaaS Business" with Software System Development Platform and Automatic Generation Functions

For corporate clients, the Tender Offeror will offer a platform service that enables the comprehensive provision of various computing resources such as network, security, storage, and data utilization platform (Note 9), in addition to provision of data center service, server, operating system (OS), and middleware (Note 10). For a system development platform, the Tender Offeror will embed generative AI utilizing an inherent database, provide exclusive no-code and low-code development platform functions for specific clients and industries (Note 11), and develop hybrid cloud PaaS service/IaaS service (Note 12) to respond to demand from clients for in-house production. The Tender Offer expects that the businesses can be materialized if it utilizes the Company's network virtualization technology and its experience, technologies, and knowhow in environment building and operational support for multi cloud and hybrid cloud.

(Note 9) "Network/security/storage/data utilization platform" refer to the following functions and services in the IT infrastructure domain.
Network: a system or infrastructure that enables data communication between computers or devices.

Security: a means or process that defends data, systems, and other assets from unauthorized access or attacks.
Storage: a system or device that stores data.
Data utilization platform: a system or infrastructure that supports the gathering, storage, analysis, and utilization of data.

(Note 10) "Data center service, server, operating system (OS), and middleware" refer to the following functions and services in the IT infrastructure area.
Data center: a facility built exclusively for management, storage and processing of data. The facility equipped with server, storage, network equipment, etc., enables a company to safely store and efficiently process data.
Data center service: various services provided by the data center. The services include a hosting service that provides the server and infrastructure needed to host websites or applications on the cloud, a managed service for setup, management, supervision, etc. of server and infrastructure, connections to hyperscalers, among others.
Server: a computer or software that provides services and resources to other computers (clients) on the computer network.
Operating system (OS): system software that manages hardware and software resources on the computer and provides common services for application software.
Middleware: software in the middle between OS and application software that assists the communication between different applications or services and management of resources, etc.

(Note 11) "No-code/low-code development platform functions" refer to platforms that enable the development of a high-quality system with a short delivery time without expertise in programming by setting up standard parts, additional parts, and design information appropriately.

(Note 12) "Hybrid cloud PaaS service/IaaS service" refer to the following respectively.
Hybrid cloud: a model that combines the use of both public and private cloud for provision and utilization.
PaaS service: a platform service that provides functions needed to develop, test, and deploy applications.
IaaS service: a platform service that virtually provides server, storage, network, and other physical infrastructure on the cloud.

(2) "Offering Business" That Utilizes Advanced Dgital Technologies and Expertise Related to Operations

Targeting specific industries such as manufacturing and finance, the Tender Offeror will offer a business solution, which can be considered the best combination, on the platform boasting sophisticated functionalities of API integration of application systems and sophisticated network/data security/IT infrastructure resources, by utilizing generated AI that responds to demand for business functions related to common operations in each industry and accumulating own intellectual properties and other digital solutions. In particular, the Tender Offeror will prepare and utilize business consulting capabilities with industry expertise that helps envision the ideal state of the client's business by backcasting from the future vision, and develop offerings in digital business and operational process that actively drive clients' business innovation. In a related move, the Tender Offeror will provide a service that helps clients modernize their business process through business process outsourcing practices provided by the Tender Offeror Group.

To materialize this business, the Tender Offeror believes that the incorporation of the Company's network and security products into the offerings will significantly increase added values to solutions to be made available for clients.

(3) "Data Integration/Data Utilization Platform Business"

The Tender Offeror will provide a platform service that enables an advanced data-driven management by combining an integrated management analysis platform for various business data and a data integration platform with network and IT infrastructure services, and realize an advanced management application of various business data within specific companies by adding big-data analysis functions.

Targeting a broad range of industries and businesses including mobility, healthcare, energy, etc., the Tender Offeror will offer the platform service to multiple companies engaged in various businesses across industries. The Tender Offeror will build an ecosystem that extends beyond the boundaries of a company and fosters collaborations between companies or across industries using big data accumulated on platform control technologies with consideration into secure network connections and energy constraints between companies or across different industries, and offer a service that contributes to not just sophistication of existing businesses, but also development of new businesses, and even creation of new industries, by utilizing big data. The Tender Offeror is confident that the Company's network integration technologies will be the source of competitive advantage in this business.

The Tender Offeror also anticipates that the Transaction will produce the following synergetic effects and benefits specifically for the Tender Offeror and the Company. To maximize the following synergetic effects and benefits and achieve its strategic significance, the Tender Offeror concluded that it would be essential to make the Company its wholly owned subsidiary to eliminate the risk of conflict of interest with minority shareholders of the Company and enable the Company to operate its business under a coherent management policy and to make decisions promptly to implement necessary measures at an appropriate time. The Tender Offeror believes that the realization of synergetic effects and benefits from the Transaction for the Company will also help the Tender Offeror, which will make the Company its wholly owned subsidiary through the Transaction, enhance its corporate value as the Tender Offeror Group that will include the Company following the Transaction.

(i) Implementation of a new customer strategy based on a new client relationship for main clients of the Tender Offeror, provision of a comprehensive service covering applications and IT infrastructure, and establishment of a position as a strategic IT services partner for common clients through increased market share within these clients.

(ii) Expansion of business through development of an IT infrastructure service focusing on the Company's network integration service for some 8,000 customer bases of the Tender Offeror

(iii) Expansion of business through provision of the Tender Offeror Group's system development, maintenance, and operation services to the Company's main clients in

the Enterprise market, and provision of a sophisticated managed service integrating the Tender Offeror's data center service and the Company's security technology.

(iv) Provision of a service combining the Tender Offeror Group's solutions (help desk operations, BPO services, etc.) to clients for the Public market (local governments, boards of education, incorporated administrative agencies, etc.) in which the Company excels, and exploration of a new business domain through development of an application service for the Public market.

(v) Expansion of business through provision of all the services encompassing the entire security system domain based on the combination of the Company's network and security technologies (designing and building), the Tender Offeror's human resources and expertise in security management and supervision that had been provided to the Sumitomo Corporation Group and services centered around SIEM (Note 13).

(vi) Curtailment of costs realized by enhancement of purchasing power over main vendors through the integration of sales business between the Company and the Tender Offeror, and increased efficiency through business process integration.

(vii) Business expansion into the Asian market through incorporation of the Company's global-standard products (Note 14) and integrative power into the Tender Offeror's global business platform.

(viii) Strengthening of capabilities to explore potential products and develop new businesses through combination of the Tender Offeror's state-of-the-art technology research function and venture capital function in its U.S. bases with the Company's assessment capacity to identify qualities with regard to advanced technologies and services in the IT infrastructure area.

(ix) Development of new digital services such as a vertical integration model for applications and infrastructure, etc. and joint development looking for new market opportunities through integrated expertise and intellectual properties of the two companies.

Synergies in the above (i) through (v) are expected to be produced in the area of integrated IT infrastructure management services. The Tender Offeror considers it possible to build servers, networks, security systems, data centers, and all other IT infrastructure, and to provide a one-stop comprehensive IT infrastructure management service by incorporating the Company's network layer service (Note 15) into the Tender Offeror's server and other infrastructure management services. Such integrated IT infrastructure management service is planned to be provided to clients that do not overlap with those of the Company among the Tender Offeror's main clients for its IT infrastructure management services business.

Meanwhile, synergies in the above (iii) and (v) are expected to be produced in the area of security and network services. Specifically, the Tender Offeror and the Company have strong partnerships with main vendors that deal with various products and services in

network and security equipment as well as management services, possess advanced expertise and experiences in those products and services, and intend to provide integrated security services categorized by industry and customer scale, by leveraging their positions in the industry expected to be even reinforced by the business integration. For the major vendors as well, the companies intend to become partners with strong presence being capable of providing all the services at once.

For the Public market in (iv), the Tender Offeror intends to pursue synergies in the business particularly targeting local municipalities, a customer base in which the Company excels, by providing them with the Tender Offeror Group's services (promotion of working style reforms among medical professionals, issuance of digital local currencies, management of digital gift certificates with premiums, etc.) and exploring a new business with its service lineup expanded.

(Note 13) "Security Information and Event Management (SIEM)" refers to a system to perform integrated management of security information.
(Note 14) "Global-standard products" refer to products widely recognized around the world that share common standards or quality.
(Note 15) "Network layer service" refers to a service that includes the procurement of network equipment as well as network design, development, maintenance, and operation.

Taking into account the results of the above review, the Tender Offeror submitted the final letter of intent (the "Proposal") to the Company as of September 27, 2024, as a legally binding proposal based on due diligence that the Tender Offeror conducted on the Company in a period from late July 2024 through early September 2024 on the terms and conditions such as the tender offer price per Company Share (the "Tender Offer Price") when the Tender Offer is conducted, stating that the Tender Offeror would (i) conduct a tender offer for all shares issued by the Company with an intention of making the Company its wholly owned subsidiary, (ii) set the Tender Offer Price per Company Share at 4,400 yen (a premium of 21.18% (rounded to two decimal places; the same applies hereafter to the premium values (%) over stock prices) over 3,631 yen, which is the closing price on September 26, the business day immediately preceding the proposal date, a premium of 24.79% over 3,526 yen (rounded to decimal places; the same applies hereafter to the simple average values (yen) of closing prices), the simple average value of the closing prices for the one month immediately preceding the proposal date, a premium of 37.63% over 3,197 yen, the simple average value of the closing prices for the three months immediately preceding the proposal date, and a premium of 47.26% over 2,988 yen, the simple average value of the closing prices for the six months immediately preceding the proposal date), the purchase price per Stock Acquisition Right (the "Purchase Price for Stock Acquisition Right") at 1 yen, and the Tender Offer Price per Company Share related to the American Depositary Shares represented by the American Depositary Receipts at 4,400 yen.

In response to the Proposal, the Tender Offeror received a request from the Company on September 30, 2024, for a reconsideration, arguing that the Company regarded the Tender Offer Price as significantly deviating from the price level it had anticipated in order to express its affirmative opinion for the Tender Offer and recommend its shareholders to tender their shares.

In response to the request from the Company, the Tender Offeror made a proposal in

writing on October 4, 2024, setting the Tender Offer Price per Company Share at 4,500 yen (a premium of 27.95% over 3,517 yen, which is the closing price on October 3, the business day immediately preceding the proposal date; a premium of 26.16% over 3,567 yen, the simple average value of the closing prices for the one month immediately preceding the proposal date, a premium of 38.76% over 3,243 yen, the simple average value of the closing prices for the three months immediately preceding the proposal date, and a premium of 48.81% over 3,024 yen, the simple average value of the closing prices for the six months immediately preceding the proposal date).

The Tender Offeror then received a notification from the Company on October 7, 2024, in which the Company promised to conduct deliberations and negotiations on the Transaction exclusively with the Tender Offeror in a period from the same day through November 6, 2024.

The Tender Offeror then received questions pertaining to the Proposal regarding the background and purpose of the proposal, the expected transaction structure, the economic terms and conditions of the transaction, the post-transaction management policy and method of financing the consideration of the transaction on October 17, 2024, from the Special Committee (to be defined in "C. Process and Reasons for Decision-Making by the Company" below) through Mitsubishi UFJ Morgan Stanley Securities. Taking into account the questions, the Tender Offeror submitted its answers explaining the details included in "B. Background, Purpose and Decision-Making Process Which Led to the Decision by the Tender Offeror to Implement the Tender Offer and Management Policy After the Tender Offer" through "(ii) Management Policy After the Tender Offer" below regarding the questions to the Special Committee on October 23, 2024, and provided an explanation to the Special Committee on the same day.

In addition, on the same day, the Tender Offeror was requested by the Company to reconsider the Tender Offer Price. Furthermore, on the 24th of the same month, the Tender Offeror was requested by the Special Committee through an interview to consider the Tender Offer Price again. In response, on the 28th of the same month, the Tender Offeror responded to the Company, stating that even after considering the request from the Special Committee to raise the Tender Offer Price, it would still be difficult to further raise the Tender Offer Price from 4,500 yen.

Subsequently, the Tender Offeror was notified by the Company and the Special Committee on November 5, 2024 that they would accept the Tender Offer Price of 4,500 yen.

As a result of the consultations and negotiations described above, the Tender Offeror decided, pursuant to its board of directors resolution on November 6, 2024, to conduct the Tender Offer and conclude the Business Integration and Tender Offer Agreement. For details of the Business Integration and Tender Offer Agreement, please refer to "4. Details of Material Agreements Concerning the Tender Offer" below.

(ii) Management Policy After the Tender Offer

(a) Regarding Business Strategies

The Company has established a leading position in the industry, particularly in the network integration business, and by combining the application development technology of the Tender Offeror and the customer bases of both companies, the IT infrastructure business will be further strengthened and it will become possible to provide services from

IT infrastructure to applications as a package, and the business value of the group after the integration is expected to be enhanced in a relatively short period of time.

In addition, as stated in "4. Details of Material Agreements Concerning the Tender Offer" below, on November 6, 2024, the Tender Offeror and the Company entered into the Business Integration and Tender Offer Agreement, which sets forth (i) matters concerning the cooperation between the Company and the Tender Offeror in implementing the Transaction and (ii) matters concerning their business integration. Under the Business Integration and Tender Offer Agreement, the two companies agreed to cooperate with each other for the integration and unified operation of the two companies' infrastructure businesses and the implementation of an initiative to produce synergetic effects promptly after the execution of the Transaction, aiming for continuous and unified growth at both companies in the system integration and network integration markets.

Moreover, in pursuing short-term and medium- to long-term synergies between the two companies, the two companies specifically agreed to start discussions toward setting up a cross-boundary "Integration Task Force" for which presidents of both companies will have overall responsibility and other responsible persons will be chosen from the companies, under the Tender Offeror's Management Committee and the Company's Management Committee, to promote strategic planning and collaboration to maximize synergies. Additionally, the Tender Offeror hopes to consider, formulate, and reach an agreement between the management of the two companies regarding the medium- to long-term strategic business plan and business strategy.

(b) Regarding the Company's Position in the Tender Offeror Group Following the Completion of the Transaction

Following the completion of the Transaction, the Company will serve as a major group company in the Tender Offeror Group dealing with one of its core businesses. As for the Company's management, the Tender Offeror intends to respect the management that the Company adopted prior to the execution of the Transaction, and expects that the Company will push forward its conventional business management leveraging its strengths. It is agreed under the Business Integration and Tender Offer Agreement that the two companies shall respect the Company's existing initiatives with regard to the Company's business operations and business strategies to the maximum extent possible even after completion of the settlement of the Tender Offer, and if the Tender Offeror requests a change in the Company's existing initiatives with regard to the Company's business operations and business strategies after completion of the settlement of the Tender Offer, the two companies shall discuss and consider such change in good faith based on the spirit of equality between the two companies. In the meantime, the Tender Offeror also expects that the Company will embark on an initiative toward a business collaboration with the Tender Offeror to produce synergies soon, as mentioned in the above "Regarding Business Strategies."

It should be noted that the two companies agreed to start the consideration on conducting a merger between the Tender Offeror and the Company due in April 2026 following the completion of the Transaction, as a specific scheme for business integration, as it considers it essential to integrate employees and businesses of both companies in order to materialize the business plan promptly without fail.

Regarding the trade name of the Company after the execution of the Transaction, the two companies agreed to maintain the current trade name, taking into account the Company's

business significance, its established brand power, etc., during the period when the Company is positioned as a subsidiary of the Tender Offeror. As for the subsidiaries of both companies, the Tender Offeror intends to maintain the current structures for the time being, but expects to consider a reorganization if necessary in the course of their discussions on their future strategic business plan and subsidiary structure.

(c) Regarding the Management System and Governance

Regarding the Company's management system, the Tender Offeror considers building a coherent governance system as a consolidated group company, while giving full respect to the Company's autonomy as an independent company and its current management system, during the period when the Company is positioned as a subsidiary of the Tender Offeror following the completion of the Transaction. The Tender Offeror expects and hopes that existing members of the Company's management will continue to play a leadership role in the Company's business management. It is agreed between the two companies under the Business Integration and Tender Offer Agreement that, (i) with regard to the composition and treatment of the Company's management team and other directors and executive officers after completion of the settlement of the Tender Offer, the Company will make a proposal before the merger of the two companies is performed, and based on such proposal, the management teams of the two companies shall consult in good faith, and the Tender Offeror shall ultimately make a decision while also respecting the intentions of the Company's management team, and if the two companies are to merge, the management teams of the two companies shall, in the spirit of equality, discuss in good faith the management structure of the new integrated company, including the composition of directors and executive officers of the new integrated company, and as for the representative director of the new integrated company, the two companies shall consider the approach of each appointing one representative director. It is agreed in the Business Integration and Tender Offer Agreement that, after completion of the settlement of the Tender Offer, the Tender Offeror may nominate one director of the Company upon prior good faith consultation with the Company, and the Company will implement the necessary procedures for the appointment of the person nominated by the Tender Offeror as a director of the Company.

The two companies also agreed that the president and the chief executive officer of the Company will attend the Tender Offeror's Management Committee and take part in the Tender Offeror Group's management after the completion of the Transaction.

(d) Regarding the Employment and Treatment Policy of Employees

The Tender Offeror started efforts to change the working style of its employees in 2012 when the term "working style reforms" was not yet commonly used, in order to ensure their health as the initial step to reinforce its human capital foundation. Back then, the IT industry was said to be a typical labor-intensive industry whose business structure forced IT engineers to work long hours to contribute to revenue increase of their company, and thus long working hours had become the norm. In 2013, the Tender Offeror worked hard to reduce the average overtime hours per month of all employees to less than 20 and enable them to take all the 20 days of paid leave. In 2015, the Tender Offeror shifted dramatically toward management truly valuing its employees under the Health and productivity management philosophy, stipulating in its work rules "The health of each employee serves as a foundation for the well-being of individuals and their families and business development. The Tender Offeror has continued to pursue an advanced working

style reform to help employees make the most of their capabilities and undertake highly productive and innovative tasks, by introducing various measures to improve the health of executives and employees.

Today, the Tender Offeror has gone beyond the Health and Productivity Management and brought its management stage to the next level of pursuing a "rewarding workplace" not just a "pleasant workplace" and engages in Well-Being management with the aim of developing into a company at which employees contribute to society through value creation and feel rewarded at work.

Also in its Medium-Term Management Plan, the Tender Offeror adopts a policy of "maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of SCSK Group." What is intended here is that the Tender Offeror always chooses businesses and projects that it believes will help enhance employees' capabilities, and prepares a workplace and an environment where they can grow, and always chooses and builds business areas and models in which they can make the most of their capabilities. Simultaneously, the Tender Offeror prepares a system that evaluates and treats appropriately the market value of employees enhanced by this policy.

Regarding the employment and treatment of employees, the Tender Offeror aims to help employees feel rewarded and improve their performance through new value creation backed by the autonomous growth of each employee at both companies and co-creation with customers, partners, and the society. It hopes to increase its presence and market value by contributing to society in a way that can only be made possible through the business integration, and taking a lead in solving social issues, which then results in a further improvement in employee treatment and highest-level rewards for employees. The Tender Offeror seeks to become such a top-tier company that spearheads the IT services industry.

It is agreed under the Business Integration and Tender Offer Agreement that (i) the Tender Offeror shall, as a general rule, maintain the employment of the employees of the Company Group who are employed in the Company Group on the settlement commencement date of the Tender Offer for a period of three years after the settlement commencement date, under working conditions that are not substantially less than the working conditions on the settlement commencement date, taking into consideration the overall working conditions on the settlement commencement date; (ii) in addition, after completion of the settlement of the Tender Offer, the Tender Offeror shall respect to the maximum extent the existing initiatives of the Company Group to achieve a good work-life balance for its employees, the flexible work styles of its employees through the use of telecommuting and work styles such as flexible work hours, time-select work hours and variable work hours, and the results of the previous personnel evaluations and evaluation methods for employees of the Company Group, and if the Tender Offeror wishes to make changes to any of these after completion of the settlement of the Tender Offer, the two companies shall discuss and consider them in good faith; (iii) if the two companies are to merge, the two companies shall, in the spirit of equality, appoint talented individuals to key positions of the newly integrated company regardless of their original organization; and (iv) the two companies shall establish a study team composed of members from each of the two companies to discuss and consider in good faith the unification of employment conditions, and in their consideration, the two companies shall

respect each other's employment conditions to the maximum extent possible and shall make every effort to the commercially reasonable extent to make the employment conditions after unification more favorable for the employees of both companies. No other matters have been decided at this stage and it is intended that such matters will be decided in the future through discussions between the Tender Offeror and Company.

C. Process and Reasons for Decision-Making by the Company

(i) Background of Establishment of the Deliberation Framework

As described in "(i) Background, Purpose and Decision-Making Process Which Led to the Decision to Implement the Tender Offer" in "B. Background, Purpose and Decision-Making Process Which Led to the Decision by the Tender Offeror to Implement the Tender Offer and Management Policy After the Tender Offer" above, the Company has been deliberating measures to maximize its corporate value from a medium- to long-term perspective, and between October 2022 and late November 2023, three business companies (the "Potential Partners") each expressed interest in forming a capital and business alliance or other relationship with the Company and requested for consultation or submitted an initial proposal to the Company at different timings. Although there were differences in the specificity of the proposals, the degree and scope of interest, and the depth of deliberation, etc. among the Potential Partners that expressed such interest, the Company has provided opportunities for discussion on management policies between its management team and each of the Potential Partners, including the Tender Offeror, and has held consultations among those engaged in the actual business of their respective companies. After an initial exchange of opinions between the management teams of the Company and the Tender Offeror regarding future business plans and strategies in mid-September 2023, the Company has continuously discussed with the Tender Offeror on multiple occasions regarding the competitive advantages that are expected to be gained in the event of a business integration between the two companies and the impact on the market and industry since early October 2023.

Under these circumstances, considering the fact that the Company had received in writing a strategic proposal of a certain level of specificity involving the privatization of the Company Shares from one of the Potential Partners (which is not the Tender Offeror) by December 1, 2023 (however, no specific purchase price was presented at this point), in accordance with the "Guidelines for Corporate Takeovers" (the "Corporate Takeover Guidelines") published by the Ministry of Economy, Trade and Industry on August 31, 2023, the Company decided that it would be appropriate to implement a process (the "Process") of collecting comparable materials from each of the Potential Partners from the perspective of enhancing the Company's corporate value and securing the common interests of shareholders, whereby the Company would compare and deliberate strategic options including the strategic proposals from each of the Potential Partners and the "stand-alone" management option of not forming a capital or business alliance. Thus, the Company decided to commence the Process. In order to ensure the fairness of the Transaction, including the Tender Offer, and to handle the Process, in early February 2024, the Company appointed Mitsubishi UFJ Morgan Stanley Securities as a financial advisor to the Company independent of the Potential Partners and the Company. The Company also decided to continue to appoint Nagashima Ohno & Tsunematsu, which had been advising the Company since October 2023, as a legal advisor independent of the Potential

Partners and the Company, beyond early February 2024. In addition, in mid-April 2024, for the purpose of further strengthening the advisory structure for the deliberation of strategic options, including the enhancement of corporate value by stand-alone management, the Company appointed QuestHub Co. Ltd. ("QuestHub"), which had assisted the Company in the past with formulation of its mid-term business plan, as a strategic advisor independent of the Potential Partners and the Company.

In deliberating the Process, although the Transaction does not constitute a management buyout or an acquisition of a subsidiary company by a controlling shareholder, it was expected that the Potential Partners would make a proposal involving the privatization of the Company Shares in the Process. Therefore, for the purpose of (i) eliminating arbitrariness in the Company's decision-making regarding the Transaction, (ii) deliberating the strategic options available to the Company from the standpoint of enhancing the Company's corporate value and the interests of general shareholders, and, subsequently, (iii) deliberating and judging the merits and demerits of the Transaction, the appropriateness of the terms and conditions of the Transaction and the fairness of the procedures, etc., the Company commenced the building of a system to enable itself to deliberate and negotiate the Transaction and the Process from a position that is independent of the Potential Partners, including the Tender Offeror, the Company and the success or failure of the Transaction. Specifically, as described in "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, from mid-February of the same year, the Company prepared for the establishment of a special committee consisting of its independent Outside Executive Directors (the "Special Committee"). Subsequently, on the 28th of the same month, by a resolution at a meeting of its Board of Directors, from the viewpoint that it is appropriate to appoint Outside Executive Directors who have insights in the legal, accounting and business fields as the members of the Special Committee, the Company established the Special Committee consisting of three members, i.e., Ms. Maya Ito (the Company's Independent Outside Executive Director), who is an attorney, Mr. Kazuhiro Noguchi (the Company's Independent Outside Executive Director and Full-time Member of the Audit & Supervisory Committee), who is a certified public accountant, and Mr. Masayoshi Wada (the Company's Independent Outside Executive Director), who has experience serving as a director of a company engaged in the same type of business as the Company (for the background of the establishment of the Special Committee, the process of deliberation and the details of the decisions, etc., please refer to "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below), and consulted with the Special Committee regarding (i) the reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the corporate value of the Company), (ii) the appropriateness of the terms and conditions of the Transaction (including the appropriateness of the method of implementation of, and the type of consideration for the Transaction), (iii) the fairness of the procedures for the Transaction (including the process of selecting potential partners), (iv) whether the Transaction is not disadvantageous to the Company's general shareholders in light of (i) through (iii), and (v) the propriety for the Company's Board of Directors, in the event that the Transaction

involved a tender offer for the Company Shares, the Stock Acquisition Rights, and the American Depositary Receipts, to (x) express an opinion in support of the Tender Offer, (y) recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender in the Tender Offer; and (z) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts (collectively, the "Consulted Matters"). Further, the Company's Board of Directors passed a resolution upon establishing the Special Committee that the decisions of the Company's Board of Directors shall be made with the highest degree of respect for the opinion of the Special Committee. Moreover, the Company's Board of Directors passed a resolution that it would authorize the Special Committee (i) to secure conditions in which the Special Committee would be able to substantially affect the process of negotiations regarding the transaction terms and conditions by, among others, reviewing in advance the policy for the negotiations between the Company and the Potential Partners, receiving reports on the status of such negotiations in a timely manner, and expressing its opinion, giving directions and making requests in crucial phases of such negotiations, (ii) to appoint its own advisors at the Company's expense if necessary when deliberating and making decisions regarding the Consulted Matters or approve (including ex post facto approval) the advisors selected by the Company, and to receive from such advisors expert advice as necessary, and (iii) to collect or receive from the Company's officers and employees and advisors information that is necessary for deliberating and making decisions regarding the Consulted Matters. As described in "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, the Special Committee first confirmed that there was no problem in terms of the independence and expertise of each of Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub, and approved the appointment of Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub as the financial advisor and third-party valuation agent, the legal advisor and the strategic advisor of the Company, respectively. In addition, the Special Committee determined to receive expert advice from each advisor as necessary.

(ii) Background of Deliberation and Negotiation

As described in "(i) Background of Establishment of the Deliberation Framework" above, considering the fact that the Company had received a strategic proposal of a certain level of specificity involving the privatization of the Company Shares from some of the Potential Partners in December 2023, in accordance with the Corporate Takeover Guidelines, the Company decided that it would be appropriate to collect comparable materials from each of the Potential Partners from the perspective of enhancing the Company's corporate value and securing the common interests of shareholders and thereby compare and deliberate on the strategic options the including strategic proposals from each of the Potential Partners and the stand-alone management option of not forming a capital or business alliance. Thus, the Company decided to commence the Process.

From February 29, 2024, the Company commenced the First-Round Process, in which the Company requested the Potential Partners, all of which are business companies, to submit initial statements of intent describing the background and purpose of their interest in the Company, the intended transaction structure, the economic terms of the transaction, the management policy after the transaction, and the method of financing the consideration for the transaction. In the First-Round Process, the Company disclosed and explained the Business Plan to the Potential Partners and conducted interviews with them, and on April 30 of the same year, the Company received non-legally binding initial statements of intent (the "First Statements of Intent") from two of the Potential Partners, including the Tender Offeror. The First Statements of Intent submitted by the Tender Offeror included a non-legally binding initial statement of intent to set the Tender Offer Price at 4,250 yen (a 60.74% premium on the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on the same day, which was 2,644 yen).

Subsequently, the Company carefully deliberated the contents of the First Statements of Intent from the perspective of enhancing its corporate value and securing the common interests of shareholders and also deliberated multiple strategic options, also comparing them with the stand-alone management option of not forming a capital or business alliance. From July 26 of the same year, the Company commenced the Second-Round Process with the two Potential Partners, in which the Company, among others, requested them to submit legally binding final proposals, and the two Potential Partners conducted due diligence on the business, financial and tax affairs, and legal affairs of the Company Group as well as interviews with the Company's management to gain a detailed understanding of the Company Group. On September 27 of the same year, the Company received a legally binding final proposal from only the Tender Offeror, out of the two Potential Partners, which included the Tender Offer Price of 4,400 yen (a 23.49% premium over 3,563 yen, which was the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of the same date). However, in light of the opinion of the Special Committee held on the 28th of the same month, the Company came to the conclusion that the Tender Offer Price stated in the final proposal deviated from the price level that the Company expected, and that the Company should request the Tender Offeror to reconsider the Tender Offer Price. In order to maintain its bargaining power, the Company did not immediately grant the Tender Offeror an exclusive negotiating right, but instead requested the Tender Offeror to reconsider the Tender Offer Price. In response, on October 4 of the same year, the Company received a revised proposal with the Tender Offer Price at 4,500 yen (a 26.1% premium over 3,568 yen, which was the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of the same date) on the basis that an exclusive negotiating right would be granted to the Tender Offeror. As a result, on the 7th of the same month, the Company decided to grant the Tender Offeror an exclusive negotiating right for an exclusive negotiation period until November 6 of the same year, which was the timing of the announcement of the Transaction that the Company had envisioned.

Subsequently, on October 8 of the same year, the Company requested the Tender Offeror to further raise the Tender Offer Price, as the Tender Offer Price did not fully reflect the intrinsic value that the Company could realize and in consideration of the premium level. However, on the 21st of the same month, the Company received a response from the Tender Offeror stating that it was difficult to further raise the Tender Offer Price. In response, on the 23rd of the same month, the Company requested the Tender Offeror to

reconsider the Tender Offer Price. In addition, the Special Committee requested the Tender Offeror on the 24th of the same month through an interview to consider the Tender Offer Price again. In response, on the 28th of the same month, the Tender Offeror responded to the Company, stating that even after considering the request from the Special Committee to raise the Tender Offer Price, it would still be difficult to further raise the Tender Offer Price from 4,500 yen.

Subsequently, on November 5, 2024, the Company responded to the Tender Offeror, stating that it would accept the Tender Offer Price of 4,500 yen.

As a result of the consultations and negotiations described above, the Company reached an agreement with the Tender Offeror on the content of Business Integration and Tender Offer Agreement, including the Tender Offer Price and the Stock Acquisition Right Purchase Price.

On November 5, 2024, the Company received a report (the "Report") from the Special Committee stating that (i) the purpose of the Transaction is considered to be reasonable and the Transaction is considered to contribute to the enhancement of the corporate value of the Company, (ii) the terms and conditions of the Transaction (including the method of implementation (the method of implementing the Squeeze-Out Procedures after the completion of the Tender Offer if the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer (including the Company's common shares to be delivered upon exercise of the Stock Acquisition Rights but excluding the treasury shares owned by the Company) and all of the Stock Acquisition Rights) of the Transaction and the type of consideration for the Transaction) are considered to be appropriate, (iii) the procedures for the Transaction (including the process of selecting the Potential Partners) are considered to be fair, (iv) the Transaction is considered to be not disadvantageous to the Company's general shareholders (for the avoidance of doubt, the "general shareholders" here include "Minority Shareholders" as defined in the Securities Listing Regulations of the Tokyo Stock Exchange) in light of (i) through (iii), and (v) it is appropriate for the Company's Board of Directors to pass a resolution to (a) express an opinion in support of the Tender Offer, (b) recommend that the Company's shareholders tender in the Tender Offer, (c) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (d) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer (For an overview of the Report, please refer to "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below).

(iii) Details of Decision

As a result of multiple discussions and deliberations involving the top management of both companies through the Process, the Company has determined that the Transaction would realize the Company's "Vision for 2030" and, in turn, significantly contribute to the fulfilment of its corporate philosophy and purpose. Thus, the Company has decided to implement the Transaction. The main reasons for this decision are as follows:

i. The degree of affinity between the two companies' purposes, corporate philosophies and corporate cultures is extremely high.

ii. While each of the two companies has already established a solid position within the industry as a leading company in the fields of system integration and network integration, they have come to share an understanding that by integrating the two companies, they will be able to further accelerate the creation of new value that would be difficult to achieve individually.

iii. Both companies have been able to share the same grand vision and direction for the future of the two companies, which is of them working together to strive for the future development of the ICT industry as one of Japan's leading ICT companies following the completion of the Process in anticipation of the merger.

iv. The Transaction will, upon integration of the two companies, lead to an immediate increase in the presence in the industry as a group enterprise of sales of approximately 700 billion yen and will be a stepping stone for the enterprise to lead the future reorganization and growth of the industry, eventually becoming an overwhelming leading company with the sales of one trillion yen.

In addition, the Company has come to a conclusion that the Transaction will contribute to the realization of its "Vision for 2030," and, in turn, the enhancement of its corporate value since, in the course of the companies' examination of specific synergies, the Company has been able to identify the following short- and medium-term expected effects. The Company is not aware of any particularly significant dis-synergies arising from the Transaction.

Short- and medium-term expected effects:

1. Expansion of markets and customers that Company serves:

   While the Tender Offeror has strengths in terms of enterprise customers such as manufacturers and financial institutions, the Company conducts business not only with enterprises but also with public institutions, telecommunications carriers and business partners, and thus the Company and the Tender Offeror have strengths in different markets and customers with different attributes. The Company believes that the Transaction will enable both companies to provide enhanced value to their existing customers through, among others, referring their customers to one another and proposing to their customers each other's services.

2. Strengthening of service lines to enhance support for customers' ICT infrastructure:

   The Company believes that the Transaction will strengthen the PBOO model that supports the lifecycle of the ICT infrastructure of both companies' customers, thereby enabling both companies to provide comprehensive support for solving customers' problems in a wider range of domains than before. Specifically, the Company believes that it is possible to strengthen both companies' service lines by complementing each other's products and solutions. The Company also

believes that, by not only strengthening service lines and complementing each other but also building unique consulting services based on the operational track records of both companies, they can aim to provide unprecedented unique value. Furthermore, the Company believes that, as a result of research and development, by the discovery of new commercial materials and development of services through the integration of the knowledge and expertise of both companies, the two companies will also be able to strengthen their service lines to create new value that they would not be able to achieve individually.

3. Expansion of technology domains:

The Company and the Tender Offeror have strengths in different technology domains and thus have a mutually complementary relationship. The Company believes that the Transaction will enable the two companies to provide a full lineup of services through vertical integration which combines the Company's technologies in the infrastructure and network domains with the Tender Offeror's technologies in the system platform and application domains, thereby enhancing the value to be provided to their customers. In addition, the Company believes that the integration of their technology domains will further expand the opportunities for ICT utilization.

4. Management efficiency:

The Company believes that management efficiency can be improved by (i) increase of purchasing power against major vendors through utilization of the Company's partner business and integration of the two companies, (ii) standardization of the companies' products and solutions by integrating them, (iii) standardization and streamlining of their internal IT systems, and (iv) integration of the know-how of their corporate divisions.

5. Creation of innovation:

Although the Tender Offeror and the Company specialize in different technology domains, they share the same proactive approach to discovering new technologies and businesses. The Company believes that the collaboration of (i) the knowledge and expertise as well as business development/research bases including those in the U.S. held by the two companies and (ii) the Company's innovation center, etc. will promote co-creation activities involving customers and business partners and create new innovations, thereby contributing to the revitalization of the ICT industry in Japan.

6. Opportunities for personnel training:

The Company believes that, through the process of realizing these expected effects, both companies will be able to effectively train and acquire the human resources required in the management environment in the future.

In addition, in comparison with the stand-alone management option, although the Company believes that it will be able to realize its current purpose of "unleashing the

potential of people and networks, and creating a prosperous future by carrying on/inheriting tradition and making innovation happen" even through management on a stand-alone basis, the Company determined that it can achieve the purpose in a more progressive way by proceeding with the Transaction together with the Tender Offeror. Specifically, the Company believes that, by integrating the management of the two companies based on the spirit of equality, they will be able to promote the utilization of digital platforms while providing services through vertical integration, and, as a result, strive to become a company that leads the digitalization of society, Japan and their customers comprehensively.

Moreover, the Company has determined that the Tender Offer Price and other terms and conditions of the Tender Offer are appropriate in light of the following: (a) the terms and conditions of the Transaction, including the Tender Offer Price, were obtained through the Process described in "A. Implementation of the Process" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below and, as a result of the Company securing opportunities to receive proposals for enhancing its corporate value from multiple Potential Partners, there were no candidates which proposed more advantageous terms and conditions to the Company's shareholders and the Stock Acquisition Rights Holders (including the terms and conditions proposed in the First-Round Process) as compared to the proposal offered by the Tender Offeror; (b) in the process of determining the terms and conditions of the Transaction, as a result of negotiations and discussions through the Process, a reasonable increase in the Tender Offer Price was achieved and reasonable efforts were made to ensure that the Transaction would be conducted on terms as advantageous to the Company's general shareholders as possible; (c) with respect to the Tender Offer Price, according to the results of the share valuation of the Company Shares by Mitsubishi UFJ Morgan Stanley Securities as described in "D. Obtainment by the Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Agent" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, (i) the Tender Offer Price exceeds the range of the valuation results based on the market price analysis, (ii) the Tender Offer Price exceeds the range of the valuation results based on the comparable company comparison analysis, (iii) the Tender Offer Price is within the range of the valuation results based on the discounted cash flow analysis (the "DCF Analysis") and exceeds the midpoint of such range, (iv) while the premium level of the Tender Offer Price cannot necessarily be said to be high when compared with other similar cases, as the median premium levels for the 109 cases of tender offers (cases of tender offers with the premise of delisting, where the price-to-book ratio of the target company before the transaction was more than 1; excluding tender offers for treasury shares, so-called discounted tender offers and tender offers which had not completed by the last day of September, 2024 when the negotiation began) announced on or after June 28, 2019, when the Ministry of Economy, Trade and Industry published its "Fair M&A Guidelines - Enhancing Corporate Value and Securing Shareholders' Interests" (the "Fair M&A Guidelines"), were 40.13% of the closing price on the business day before the announcement, 39.80% of the simple average of closing prices over the period of one month prior to the business day before the announcement, 41.66% of the simple average of closing prices over the period of three months prior to the business day before the

announcement, and 42.62% of the simple average of closing prices for the period of six months prior to the business day before the announcement, considering that the share price of the Company Shares is in an upward phase and has recently been volatile, recording the highest price since the beginning of the year in terms of closing price three business days before the announcement, it is more appropriate to consider the share prices of the Company Shares over a longer period of time than to consider only the most recent share prices of the Company Shares, and thus the premium level of the Tender Offer Price cannot be said to be unreasonable when compared with the premium levels of other cases of tender offers, (v) the Tender Offer Prices can be said to be a price with a reasonable premium in light of the most recent other cases of tender offers, since the number of cases in which the premium level is relatively low has increased in the cases of successful tender offers in 2024 against the backdrop of the recent rise in the Nikkei Stock Average, and cases with a premium of less than 40% accounted for about 50%, and cases with a premium of less than 30% accounted for 20% to 30%, of the cases of successful tender offer cases in 2024, and (vi) the Tender Offer Price is above 3,970 yen, which is the highest closing price of the shares of the Company in the last three years, and 4,010 yen, which is the highest price during trading sessions in the last three years; (d) it cannot be said to be unreasonable to set the Stock Acquisition Right Purchase Price at 1 yen, considering that the Stock Acquisition Rights have been issued as stock options to the executives and employees of the Company and its subsidiaries and a Stock Acquisition Rights Holder may exercise the Stock Acquisition Rights only for the whole amount, within the exercise period of the Stock Acquisition Rights and only for a period commencing from the day following the day on which such Stock Acquisition Rights Holder ceases to hold all of his/her positions as any of the Company's or its subsidiary's director, audit and supervisory board member, executive officer or employee (excluding contract employees), until ten (10) days have passed from such following day (if the tenth (10th) day falls on a public holiday, until the following business day), but there are no Stock Acquisition Rights Holders who, by satisfying the terms and conditions to exercise the Stock Acquisition Rights, intend to exercise them, and the Tender Offeror cannot exercise the Stock Acquisition Rights even if the Tender Offeror acquires such Stock Acquisition Rights; and (e) there is nothing unreasonable in terms of the treatment of the American Depositary Receipts and the American Depositary Shares or in terms of the tender offer price per share of the Company Shares related to the American Depositary Shares represented by the American Depositary Receipts, in light of the facts that (x) when the Tender Offeror, a resident of Japan, intends to acquire the American Depositary Receipts in the Tender Offer conducted outside the United States, there is no financial instruments business operator, etc. that can make such treatment as a tender offer agent in practice and thus it is difficult for the Tender Offeror to acquire the American Depositary Receipts in the Tender Offer and that (y) the tender offer price per share of the Company Shares related to the American Depositary Shares represented by the American Depositary Receipts is set at the same price as the Tender Offer Price.

Based on the above, the Company resolved, at its Board of Directors meeting held today, to the effect that it shall (i) express its opinion in support of the Tender Offer, (ii) recommend that the Company's shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares

represented by their American Depositary Receipts, and (iii) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

Please refer to "E. Approval of All Disinterested Directors (Including Members of the Audit & Supervisory Committee) of the Company" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" for the method of the resolution at the abovementioned Company's Board of Directors meeting.

(3) Matters Related to the Valuation

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

When deliberating the Tender Offer Price proposed by the Tender Offeror and expressing its opinion on the Tender Offer, the Company obtained a share valuation report (the "Share Valuation Report") on November 5, 2024 from Mitsubishi UFJ Morgan Stanley Securities, which is a third-party valuation agent independent of the Company and the Potential Partners, including the Tender Offeror, as a measure to ensure fairness. Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Company or the Tender Offeror and does not have any material interest in connection with the Tender Offer.

(ii) Outline of Valuation

After considering which methods should be applied to calculate the value of the Company Shares among various share value calculation methods available, and assuming that the Company is a going concern and keeping in mind that it is appropriate to evaluate the value of the Company Shares from various perspectives, Mitsubishi UFJ Morgan Stanley Securities analyzed the value per share of the Company Shares by applying, respectively, (i) market price analysis since the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange and its share price in the market exists, (ii) comparable company analysis since there are several listed companies that are engaged in relatively similar businesses to the Company and it is possible to make an analogical inference of the share value of the Company Shares by comparing similar companies, and (iii) DCF Analysis in order to reflect the intrinsic value assessed based on the status of future business activities. The Company has not obtained any opinion concerning the fairness of the Tender Offer Price (fairness opinion) from Mitsubishi UFJ Morgan Stanley Securities. The following are the ranges of values per share of the Company Shares that were calculated based on each calculation method mentioned above.

Market price analysis:	3,166 yen – 3,574yen
Comparable company analysis:	2,670 yen – 4,237 yen
DCF Analysis:	4,026 yen – 4,944 yen

Under the market price analysis, using November 5, 2024 as the valuation reference date (the "Reference Date"), the value per share of the Company Shares was calculated to

range from 3,166 yen to 3,574 yen, based on (i) the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the Reference Date (3,574 yen), (ii) the simple average closing price for one month immediately preceding the Reference Date (3,545 yen), (iii) the simple average closing price for the three months immediately preceding the Reference Date (3,444 yen) and (iv) the simple average closing price for the six months immediately preceding the Reference Date (3,166 yen).

Under the comparable company analysis, the value per share of the Company Shares was calculated to range from 2,670 yen to 4,237 yen, by comparing the market share prices and the financial indicators showing such as profitability, of listed companies that engaged in relatively similar businesses to the Company.

Under the DCF Analysis, the value per share of the Company Shares was calculated to range from 4,026 yen to 4,944 yen after evaluating the share value of the Company by making certain financial adjustments, such as adding the value of cash and cash equivalents held by the Company, to the enterprise value calculated by discounting the free cash flow that the Company is expected to generate to the current value at a certain discount rate, taking into account various elements such as the Business Plan, business performance trends up to the most recent period, and information that has already been disclosed.

The Business Plan, which was used by Mitsubishi UFJ Morgan Stanley Securities for the valuation based on the DCF Analysis, do not include fiscal years during which a significant increase or decrease in revenue or a significant increase or decrease in cash flow are expected. In addition, since the Business Plan is not premised upon the implementation of the Tender Offer, the synergies expected to be realized by the Tender Offer are not reflected in the Business Plan.

The Company announced its consolidated financial results forecast for the year ending March 31, 2025 with consolidated net sales of 220 billion yen and operating profit of 21 billion yen in the "Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)" disclosed by the Company on August 6, 2024. On the other hand, as of the date of preparation of the Share Valuation Report, the Company made minor revisions to the figures of the Business Plan based on the current progress of its business. With regard to the revised Business Plan, the Special Committee also confirmed the reasonableness of the content and process of such revisions and approved the disclosure of the revised Business Plan to the Potential Partners as described in "(ii) Process of Review" in "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest."

(Note) The analysis of Mitsubishi UFJ Morgan Stanley Securities including the Company Shares value analysis was provided solely for the purpose of reference for deliberations of the Board of Directors of the Company and was addressed solely to the Board of Directors of the Company with respect to consideration of the Tender Offer. This analysis does not constitute either a financial opinion of or a recommendation by Mitsubishi UFJ Morgan Stanley Securities or any of its affiliates, and does not express any opinion or make any recommendations to

shareholders of the Tender Offeror or the Company concerning any actions by their respective shareholders, or any voting rights exercised by any shareholder in relation to the Tender Offer at a general meeting of shareholders, or any other action in connection with the Tender Offer.

In evaluating the equity value of the Company Shares, Mitsubishi UFJ Morgan Stanley Securities adopted, without any change, the information provided from the Company, information that has already been disclosed, and other relevant materials, and, assuming that all of such information and materials are accurate and complete, has not independently verified the accuracy or completeness of such information and materials. In addition, Mitsubishi UFJ Morgan Stanley Securities assumes that the information related to the financial forecasts of the Company has been reasonably prepared by the Company based on best forecasts and judgments available to them as of the Reference Date).

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. has assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the Transaction, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the Transaction. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is not legal, accounting or tax advisors. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is a financial advisor only and have relied upon, without independent verification, the assessment of the Company and its legal advisors with respect to legal, accounting or tax matters.

With respect to the assets and liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Company and its affiliated companies, Mitsubishi UFJ Morgan Stanley Securities has not independently evaluated or assessed these assets or liabilities, or ordered any appraisal or assessment from a third party institution.

The evaluation by Mitsubishi UFJ Morgan Stanley Securities reflects the aforementioned information up to the Reference Date, and is based on the economic, financial, and market factors, among other things, as well as the information obtained by Mitsubishi UFJ Morgan Stanley Securities as of the Reference Date. Events occurring after the Reference Date may have an impact on the analysis results from Mitsubishi UFJ Morgan Stanley Securities and on the assumptions used in preparing the Share Valuation Report, but Mitsubishi UFJ Morgan Stanley Securities assumes no responsibility for updating, correcting or reconfirming the Share Valuation Report or its analysis results. The preparation of the Share Valuation Report and the analysis result serving as the basis for the Share Valuation Report have gone through a complex process which cannot be adequately described by partial analysis or summary descriptions. The evaluation range listed in this report based on the specific analysis cannot be relied upon as an evaluation by Mitsubishi UFJ Morgan Stanley Securities of the actual value of the Company. Mitsubishi UFJ Morgan Stanley Securities provides services as a financial advisor for the Company in connection with the Tender Offer, and plans to accept a fee as compensation for its services. A substantial portion of the fees collectable by Mitsubishi UFJ Morgan Stanley are contingent on the announcement and the completion of this Tender Offer.

(iii) Outline of the valuation of the Stock Acquisition Rights

The Company has not obtained a valuation report or fairness opinion from a third-party valuation agent regarding the Stock Acquisition Right Purchase Price. Considering such matters as the fact that the Stock Acquisition Rights have been issued as stock options to the executives and employees of the Company and its subsidiaries, and a Stock Acquisition Rights Holder may exercise the Stock Acquisition Rights only for the whole amount held by the Stock Acquisition Rights Holder, within the exercise period of the Stock Acquisition Rights and only for a period commencing from the day following the day on which such Stock Acquisition Rights Holder ceases to hold all of his/her positions as any of the Company's or its subsidiary's director, audit and supervisory board member, executive officer or employee (excluding contract employees), until ten (10) days have passed from such following day (if the tenth (10th) day falls on a public holiday, until the following business day) and the Tender Offeror cannot exercise the Stock Acquisition Rights even if it obtains them, the Tender Offeror has rendered all the Stock Acquisition Right Purchase Prices as 1 yen.

(iv) Outline of the valuation of the American Depositary Receipts

Considering that, in the Tender Offer, the Company will not accept tenders of the American Depositary Receipts but will accept tenders of the Company Shares related to the American Depositary Shares represented by the American Depositary Receipts, with one American Depositary Receipt representing the ownership of one Company Share, the tender offer price of the American Depositary Receipts, which refers to the tender offer price per share of the Company Shares that will be delivered by surrendering the American Depositary Receipts to the Depositary Banks, is set at 4,500 yen, which is the same price as the Tender Offer Price.

(4) Prospects of and Reasons for Delisting

As of today, the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, but since the Tender Offeror has not set a maximum number of share certificates, etc. to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Company Shares might be delisted through designated procedures in accordance with the delisting criteria established by the Tokyo Stock Exchange. In addition, according to the Tender Offeror, even in the event that the delisting criteria do not apply to the Company Shares at the time of the successful completion of the Tender Offer, the Squeeze-Out Procedures will be implemented as described in "(5) Policies for Reorganization After the Tender Offer (Matters Concerning the So-Called "Two-Step Acquisition")" below after the successful completion of the Tender Offer. Therefore, if such procedures are implemented, the Company Shares will be delisted through designated procedures in accordance with the delisting criteria established by the Tokyo Stock Exchange. After the Company Shares have been delisted, the Company Shares will no longer be traded on the Tokyo Stock Exchange.

(5) Policies for Reorganization After the Tender Offer (Matters Concerning the So-Called

"Two-Step Acquisition")

Since the Tender Offeror is implementing the Tender Offer as part of its objective of making the Company a wholly-owned subsidiary, if the Tender Offeror is unable to acquire all of the Company Shares (including common shares of the Company to be delivered as a result of the exercise of the Stock Acquisition Rights, and excluding the treasury shares held by the Company) and all of the Stock Acquisition Rights through the Tender Offer, the Tender Offeror plans to implement the Squeeze-Out Procedures described below after the completion of the Tender Offer.

(I) Demand for Share Cash-out

If the total voting rights in the Company owned by the Tender Offeror reach 90% or more of the total voting rights of all shareholders of the Company as a result of the successful completion of the Tender Offer and the Tender Offeror becomes a special controlling shareholder as provided for in Article 179, Paragraph 1 of the Companies Act, the Tender Offeror will, promptly after the completion of the settlement of the Tender Offer, pursuant to the provisions of Part II, Chapter 2, Section 4-2 of the Companies Act, demand that all shareholders of the Company (excluding the Tender Offeror and the Company) (the "Selling Shareholders") sell all of their Company Shares (the "Demand for Share Cash-out"). The Tender Offeror plans to stipulate, in the Demand for Share Cash-out, that an amount equal to the Tender Offer Price will be paid to the Selling Shareholders as consideration per Company Share. The Tender Offeror intends to notify the Company accordingly and seek the Company's approval for the Demand for Share Cash-out. If the Company approves the Demand for Shares Cash-out by a resolution of its Board of Directors, the Tender Offeror will, under the procedures prescribed by relevant laws and regulations and without requiring individual consents of the Selling Shareholders, acquire all of the Company Shares held by all Selling Shareholders as of the acquisition date specified in the Demand for Shares Cash-out. In this case, the Tender Offeror will pay to each Selling Shareholder an amount equal to the Tender Offer Price as consideration for each Company Share held by that Selling Shareholder. If the Company receives notice from the Tender Offeror of its intention to conduct the Demand for Share Cash-out and of the matters described in each item of Article 179-2, Paragraph 1 of the Companies Act, the Company plans to approve the Demand for Share Cash-out at its Board of Directors.

The Company Shares subject to the Demand for Share Cash-out include those represented by the American Depositary Receipts and held by the Depositary Bank. Therefore, if the above approval is granted, the Depositary Bank will be paid an amount equal to the Tender Offer Price multiplied by the number of such Company Shares. In this event, according to the American Depositary Receipts Notifications, the Depositary Bank may release the American Depositary Receipts pursuant to the terms contained therein and pay to each American Depositary Receipt holder an amount equal to the money received by the Depositary Bank converted into U.S. dollars (rounded to the nearest cent) minus the Depositary Bank' s fees and taxes in accordance with the number of American Depositary Shares represented by the American Depositary Receipts held by such holder.

As a provision of the Companies Act aimed at protecting the rights of general shareholders in relation to demands for share cash-out, Article 179-8 of the Companies Act and other relevant laws and regulations stipulate that Selling Shareholders may file a petition to courts for determination of the selling prices of their owned Company Shares.

If such petitions are filed, the selling prices of the Company Shares will ultimately be determined by the courts.

If American Depositary Receipt holders intend to file price determination petitions, they will be required to surrender their American Depositary Receipts to the Depositary Bank, to receive the Company Shares that are deposited at the Depositary Bank, and then to file price determination petitions under Article 179-8 of the Companies Act and other applicable laws and regulations.

(II) Share Consolidation

If, after the successful completion of the Tender Offer, the total number of voting rights in the Company held by the Tender Offeror is less than 90% of the voting rights held by all shareholders of the Company, the Tender Offeror will promptly request the Company to hold an extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") under Article 180 of the Companies Act, which will include among its agenda the consolidation of the Company Shares (the "Share Consolidation") and a partial amendment to the Company's Articles of Incorporation to abolish the provisions on share unit numbers conditional on the Share Consolidation taking effect and the Tender Offeror intends to vote in favor of the above proposals at the Extraordinary Shareholders' Meeting. As of today, the Extraordinary Shareholders' Meeting is scheduled to be held in late February, 2025. The Tender Offeror plans to approve the above proposals at the Extraordinary Shareholders' Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, all Company's shareholders will then hold Company Shares in proportion to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting on the day when the Share Consolidation occurs. If the Share Consolidation results in fractional shares, all Company's shareholders who have such fractional shares will be paid cash obtained by selling the Company Share(s) equivalent to the total number of such fractional shares (if the total number includes a fraction of less than one share, the faction will be rounded down. The same applies hereafter.) to the Company or the Tender Offeror or by other methods in accordance with the procedures set out in Article 235 of the Companies Act and other relevant laws and regulations. Regarding the sale price of the Company Share(s) equivalent to the total number of such fractions, the Tender Offeror plans to request the Company to calculate the money to be paid as a result of the sale to the Company's shareholders (excluding the Company) who do not tender their shares in the Tender Offer to be equal to the Tender Offer Price multiplied by the number of Company Shares held by such shareholders upon filing a petition with the courts for permission to voluntarily sell those fractional shares. In addition, although the consolidation ratio of the Company Shares has not been determined as of today, the Tender Offeror plans to request the Company to determine the consolidation ratio so that the number of Company Share(s) held by the Company's shareholders (excluding the Company) who do not tender their shares in the Tender Offer will become less than one share and that the Tender Offeror will own all of the Company Share(s) (including the Company's common shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Company). If the Tender Offer is successful, the Company intends to comply with the Tender Offeror's requests.

The Company Shares subject to the Share Consolidation include the Company Shares represented by American Depositary Receipts and held by the Depositary Bank. Therefore, if the above decision is made, the number of Company Shares held by the Depositary Bank after the Share Consolidation is also expected to be less than one share and fractional. In this event, according to the American Depositary Receipts Notifications, the Depositary Bank may release American Depositary Receipts pursuant to the terms contained therein and pay to each American Depositary Receipt holder an amount equal to money received by the Depositary Bank converted into U.S. dollars (rounded to the nearest cent) minus the Depositary Bank's fees and taxes in accordance with the number of American Depositary Shares represented by the American Depositary Receipts held by such holder.

The Companies Act provides that, to protect the rights of general shareholders concerning Share Consolidation, if Share Consolidation results in fractional shares, the Company's shareholders (excluding the Company) may request the Company to purchase all fractional shares in their owned shares at a fair price and may file petitions with the courts for a determination of the price of the Company Share(s) under Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations.

As described above, due to the Share Consolidation, the number of Company Share(s) held by the Company's shareholders who do not tender their shares in the Tender Offer (excluding the Company) is expected to be less than one share. Therefore, the Company's shareholders (excluding the Company) who oppose the Share Consolidation are expected to be able to file the petitions mentioned above. If the above petitions are filed, the purchase price of the Company Share(s) will ultimately be determined by the courts. If American Depositary Receipt holders wish to request the Company to purchase their fractional shares or file petitions for price determination, they are required to surrender their owned American Depositary Receipts to the Depositary Bank, receive the Company Shares that are deposited at the Depositary Bank, and then request the Company to purchase their fractional shares or file petitions for price determination under Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations.

Please note that the Tender Offer does not solicit the approval of the Company's shareholders at the Extraordinary Shareholders' Meeting.

The procedures for the Demand for Share Cash-out and the Share Consolidation described above may be subject to changes in the methods and timings of implementation depending on the status of amendments, enforcement, and interpretations by authorities about the relevant laws and regulations. However, even in that case, the Company's shareholders who do not tender their shares in the Tender Offer (excluding the Company) will ultimately be paid money in exchange for their Company Shares and the money to be paid to each such shareholder will be calculated to be equal to the Tender Offer Price multiplied by the number of Company Shares held by that shareholder. In that case, the money to be delivered to the Depositary Bank in respect of the Company Shares represented by the American Depositary Receipts and held by the Depositary Bank will be calculated similarly. The American Depositary Receipt holders will receive from the Depositary Bank, in accordance with the number of American Depositary Receipts held by the holders and the deposit agreement, an amount equal to money received by the Depositary Bank converted into U.S. dollars (rounded to the nearest cent), minus the

Depositary Bank's fees and taxes.

With regard to shares with restriction on transfer (the "Restricted Shares") of the Company granted to the executives and employees of the Company as restricted stock units, the restricted stock allotment agreement with the Company's directors and executive officers stipulates that if the effective date of the share consolidation specified in Article 180, Paragraph 2, Item 2 of the Companies Act or the date on which the special controlling shareholder acquires the Company Shares as specified in Article 179-2, Paragraph 1, Item 5 of the Companies Act (the "Squeeze-Out Effective Date") arrive during the transfer restriction period, the Company will acquire all Restricted Shares without compensation immediately before the business day preceding the Squeeze-Out Effective Date. In addition, with respect to the "Restricted Shares" granted to the employees of the Company, the transfer restriction period has already expired as of the filing date of this document and may be tendered in the Tender Offer. Therefore, the shares that are not tendered in the Tender Offer will be subject to Demand for Share Cash-out or Share Consolidation.

(III) Acquisition and Cancellation of Stock Acquisition Rights

The Tender Offeror plans, in case the Tender Offer is successful, but the Tender Offeror is unable to acquire all of the Stock Acquisition Rights through the Tender Offer, and the Stock Acquisition Rights remain outstanding and unexercised, to request the Company to implement, or to implement, procedures reasonably necessary for the execution of the Transaction such as acquiring and cancelling the Stock Acquisition Rights or recommending the Stock Acquisition Rights Holders to waiver their Stock Acquisition Rights. The Company intends to cooperate if requested as such.

With respect to matters such as the specific procedures and timing of their implementation in each of the above cases, the Company plans to promptly announce them once the Company determines them upon consultation with the Tender Offeror. Regarding tax treatments in connection with tendering in the Tender Offer or each of the above procedures, the Company requests that its shareholders confirm with tax accountants or other professionals under their own responsibility.

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

As of today, the Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. It is not planned that all or part of the Company's management will directly or indirectly invest in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a so-called management buyout (MBO) (Note 1) transaction. However, considering the fact that the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror through the the Transaction, the Company and the Tender Offeror have implemented the following measures in order to ensure the fairness of the Transaction, including the Tender Offer, from the perspective of (i) ensuring the fairness of the Transaction terms and conditions including the Tender Offer Price and the Stock Acquisition Right Purchase Price, (ii) eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender

Offer and (iii) avoiding conflicts of interest. Of the measures set out below, statements regarding the measures that have been implemented by the Tender Offeror are based on the explanations given by the Tender Offeror.

(Note 1) "Management buyout (MBO)" means a transaction in which the tender offeror conducts a tender offer under an agreement with the officers of the target company and in which the tender offeror shares common interests with the officers of the target company.

A. Implementation of the Process

As stated in "(ii) Background of Deliberation and Negotiation" in "C. Process and Reasons for Decision-Making by the Company" in "(2) Grounds and Reasons for the Opinion" above, after implementing the First-Round Process targeted for three Potential Partners from February 29, 2024, and then providing an opportunity for two of the Potential Partners, including the Tender Offeror, to conduct due diligence from late July, 2024 to mid September, 2024, the Company received a legally binding final proposal only from the Tender Offeror out of the two Potential Partners. Therefore, the Company decided to conduct final negotiations with the Tender Offeror for the implementation of the Transaction. Subsequently, the Company and the Tender Offeror continued negotiations, and the Tender Offeror finally proposed to set the Tender Offer Price at 4,500 yen and the Stock Acquisition Right Purchase Price at 1 yen. There were no candidates which proposed more advantageous terms and conditions to the Company's shareholders and the Stock Acquisition Rights Holders (including terms and conditions proposed in the First-Round Process) as compared to the proposal offered by the Tender Offeror. As described above, the Company implemented the Process and secured an opportunity to receive proposals from several Potential Partners for the enhancement of corporate value of the Company.

B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee

(i) Process of Establishment of Special Committee, Etc.

As stated in "(i) Background of Establishment of the Deliberation Framework" in "C. Process and Reasons for Decision-Making by the Company" in "(2) Grounds and Reasons for the Opinion" above, by a resolution at the Company's Board of Directors Meeting held on February 28, 2024, the Company established the Special Committee consisting of three members, i.e., Ms. Maya Ito (the Company's Independent Outside Executive Director), Mr. Kazuhiro Noguchi (the Company's Independent Outside Executive Director and Full-time Member of the Audit & Supervisory Committee) and Mr. Masayoshi Wada (the Company's Independent Outside Executive Director), who are independent from the Company and the Tender Offeror. Ms. Maya Ito was nominated as the Chairperson of the Special Committee among the members of the Special Committee. The members of the Special Committee have not changed since its establishment. In addition, it has been decided that a fixed amount of remuneration is to be paid to each member of the Special Committee as compensation for his or her duties regardless of the contents of their report, and such remuneration does not include contingency fees, which are payable subject to completion of the Transaction.

Subsequently, as stated in "(i) Background of Establishment of the Deliberation

Framework" in "C. Process and Reasons for Decision-Making by the Company" in "(2) Grounds and Reasons for the Opinion" above, while establishing the Special Committee by a resolution at its Board of Directors Meeting, the Company consulted with the Special Committee regarding (i) the reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the corporate value of the Company), (ii) the appropriateness of the terms and conditions of the Transaction (including the appropriateness of the method of implementation of, and the type of consideration for the Transaction), (iii) the fairness of the procedures for the Transaction (including the process of selecting the potential partners), (iv) whether the Transaction is not disadvantageous to the Company's general shareholders in light of (i) through (iii), and (v) the propriety for the Company's Board of Directors, in the event that the Transaction involves a tender offer for the Company Shares, the Stock Acquisition Rights, and the American Depositary Receipts, to (x) express an opinion in support of the Tender Offer, (y) recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender in the Tender Offer; and (z) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts. Further, in regards to establishing the Special Committee, the Company's Board of Directors passed a resolution that the decisions of the Company's Board of Directors shall be made with the highest degree of respect for the opinion of the Special Committee. Moreover, the Company's Board of Directors passed a resolution that it would authorize the Special Committee (i) to secure conditions in which the Special Committee would be able to substantially affect the process of negotiations regarding the transaction terms and conditions by, among others, reviewing in advance the policy for the negotiations between the Company and the Potential Partners, receiving reports on the status of such negotiations in a timely manner, and expressing its opinion, giving directions and making requests in crucial phases of such negotiations, (ii) to appoint its own advisors at the Company's expense if necessary when deliberating and making decisions regarding the Consulted Matters or approve (including ex post facto approval) the advisors selected by the Company, and to receive from such advisors expert advice as necessary, and (iii) to collect or receive from the Company's officers and employees and advisors information that is necessary for deliberating and making decisions regarding the Consulted Matters.

(ii) Process of Review

The Special Committee held a total of 14 meetings for approximately 13 hours in total during the period from February 28, 2024 to November 5, 2024. In addition, the members of the Special Committee performed their duties regarding the Consulted Matters by, among others, frequently reporting to and sharing information with each other, deliberating, and making decisions through e-mails, online meetings, etc. between meetings.

Specifically, the Special Committee first confirmed that there was no problem in terms of the independence and expertise of each of Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub, and approved them as the financial advisor and third-party valuation agent, the legal advisor and the strategic advisor of the Company, respectively. In addition, the Special Committee acknowledged that the

Special Committee would receive expert advice from Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub as necessary.

Subsequently, when reviewing the Consulted Matters, the Special Committee received explanations from the Company about the status of evaluation and deliberation, etc. of the proposal from the Potential Partners and details of the discussions with the Potential Partners, conducted a Q&A session and other actions regarding these matters, and made inquiries to and received answers from the Company regarding matters such as the Company's management policy, the status of evaluation and deliberation of privatization and delisting, and the status of evaluation and deliberation of the Transaction.

Moreover, the Special Committee received explanations from Mitsubishi UFJ Morgan Stanley Securities, which is the financial advisor and third-party valuation agent of the Company, on matters such as the details and progress of the Transaction, the contents of the share valuation report, and the status of discussions and negotiations with the Potential Partners and held Q&A sessions on these matters.

In addition, taking into consideration the advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, the Special Committee confirmed the reasonableness of the content, material assumptions, and the circumstances surrounding preparation of the Business Plan and approved its disclosure to the Potential Partners.

Furthermore, the Special Committee deliberated and discussed the policy on negotiations between the Company and the Tender Offeror after obtaining Mitsubishi UFJ Morgan Stanley Securities' opinion and taking into consideration the advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, and confirmed the Company's negotiation policy.

(iii) Decisions by the Special Committee

Under the above circumstances, the Special Committee submitted the Report outlined below to the Company's Board of Directors on November 5, 2024, with the unanimous agreement of its members, as a result of carefully and repeatedly discussing and deliberating the Consulted Matters, taking into consideration the legal advice from Nagashima Ohno & Tsunematsu, the advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, and the content of the Share Valuation Report submitted on the same day.

(a) Contents of the Report

i. The purpose of the Transaction is considered to be reasonable, and the Transaction is considered to contribute to the enhancement of the corporate value of the Company.

ii. The terms and conditions of the Transaction (including the method of implementation (the method by which the Squeeze-Out Procedures will be implemented after the completion of the Tender Offer if the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer (including the Company's common shares to be delivered upon exercise of the Stock Acquisition Rights but excluding the treasury shares owned by the

Company) and all of the Stock Acquisition Rights) of the Transaction and the type of consideration for the Transaction) are considered to be appropriate.

iii. The procedures for the Transaction (including the process of selecting the Potential Partners) are considered to be fair.

iv. The Transaction is considered to be not disadvantageous to the Company's general shareholders (for the avoidance of doubt, the "general shareholders" here include "Minority Shareholders" as defined in the Securities Listing Regulations of the Tokyo Stock Exchange) in light of i through iii. Therefore, it is appropriate for the Board of Directors to pass a resolution to approve the Squeeze-Out Procedure, which is part of the Transaction.

v. It is appropriate for the Company's Board of Directors to pass a resolution to (a) express an opinion in support of the Tender Offer, (b) recommend that the Company's shareholders tender in the Tender Offer, (c) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (d) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

(b) Rationale of the Report

i. Appropriateness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the corporate value of the Company)

The Special Committee believes that the explanations on the significance and purpose of the Transaction by the management teams of the Tender Offeror and the Company are reasonable. In addition, the explanations by the Tender Offeror's and the Company's respective management teams regarding the synergistic effects and benefits of the Transaction are considered to be reasonable, and there seems to be no concrete possibility that the Transaction will cause disadvantages that would clearly outweigh the expected benefits. Further, there is nothing particularly unreasonable regarding the method of making the Company a wholly-owned subsidiary of the Tender Offeror as a method of business integration, and from the perspective of comparing with the enhancement of corporate value through the stand-alone management option, it is considered reasonable to evaluate that the implementation of the Transaction will exceed it both from quantitative and qualitative aspects.

Based on the above, the Special Committee carefully deliberated and examined the Transaction, and concluded that the purpose of the Transaction has legitimacy and reasonableness, and that the Transaction will contribute to the enhancement of the corporate value of the Company.

ii. Appropriateness of the terms and conditions of the Transaction (including the

method of implementation (the method by which the Squeeze-Out Procedures will be implemented after the completion of the Tender Offer if the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer (including the Company's common shares to be delivered upon exercise of the Stock Acquisition Rights but excluding the treasury shares owned by the Company) and all of the Stock Acquisition Rights) of the Transaction and the type of consideration for the Transaction)

It is recognized that (i) the terms and conditions of the Transaction, including the Tender Offer Price, were obtained through the implementation of the Process described in "A. Implementation of the Process" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" above, and (ii) as a result of the Company having secured an opportunity to receive proposals from several Potential Partners for the enhancement of its corporate value, there were no candidates which proposed more advantageous terms and conditions to the Company's shareholders and the Stock Acquisition Rights Holders (including the terms and conditions proposed in the First-Round Process) as compared to the proposal offered by the Tender Offeror.

It is recognized that, through the implementation of the measures to ensure fairness, such as the establishment of the Special Committee and its involvement and obtainment of expert advice from outside experts, a situation was secured in the process of forming the terms and conditions of the Transaction such that reasonable efforts were made to ensure that the Transaction would be conducted on terms as advantageous to the general shareholders as possible on an arm's length basis, while enhancing the corporate value of the Company. It is also recognized that the Tender Offer Price was determined based on the results of negotiations that, under such situation, the Company seriously engaged in with the Tender Offeror in order for the Transaction to be conducted on terms as advantageous to the general shareholders as possible.

With respect to the Tender Offer Price, the appropriateness of the terms and conditions of the Transaction is determined to be ensured considering, among others, the following: (i) the Tender Offer Price exceeds the range of the valuation results based on the market price analysis; (ii) the Tender Offer Price exceeds the range of the valuation results based on the comparable company comparison analysis; (iii) the Tender Offer Price is within the range of the valuation results based on the DCF Analysis and exceeds the midpoint of such range; (iv) while the premium level of the Tender Offer Price cannot necessarily be said to be high when compared with other similar cases, as the median premium levels for the 109 cases of tender offers (cases of tender offers with the premise of delisting, where the price-to-book ratio of the target company before the transaction was more than 1; excluding tender offers for treasury shares, so-called discounted tender offers and tender offers which had not completed by the last day of September, 2024 when the negotiation began) announced on or after June 28, 2019, when the Ministry of Economy,

Trade and Industry published the Fair M&A Guidelines, were 40.13% of the closing price on the business day before the announcement, 39.80% of the simple average of closing prices over the period of one month prior to the business day before the announcement, 41.66% of the simple average of closing prices over the period of three months prior to the business day before the announcement, and 42.62% of the simple average of closing prices for the period of six months prior to the business day before the announcement, considering that the share price of the Company Shares is in an upward phase and has recently been volatile, recording the highest price since the beginning of the year in terms of closing price three business days before the announcement, it is more appropriate to consider the share prices of the Company Shares over a longer period of time than to consider only the most recent share prices of the Company Shares, and thus the premium level of the Tender Offer Price cannot be said to be unreasonable when compared with the premium levels of other cases of tender offers; (v) the Tender Offer Price can be said to be a price with a reasonable premium in light of the most recent other cases of tender offers, since the number of cases in which the premium level is relatively low has increased in the cases of successful tender offers in 2024 against the backdrop of the recent rise in the Nikkei Stock Average, and cases with a premium of less than 40% accounted for about 50%, and cases with a premium of less than 30% accounted for 20% to 30%, of the cases of successful tender offer cases in 2024; and (vi) the Tender Offer Price is above 3,970 yen, which is the highest closing price of the shares of the Company in the last three years, and 4,010 yen, which is the highest price during trading sessions in the last three years. In addition, given, among others, that the Stock Acquisition Rights have been issued as stock options to the executives and employees of the Company and its subsidiaries, it cannot be said to be unreasonable to set the Stock Acquisition Right Purchase Price at 1 yen, and further, there is nothing unreasonable in terms of the treatment of the American Depositary Receipts and the American Depositary Shares or in terms of the tender offer price per share of the Company Shares related to the American Depositary Shares represented by the American Depositary Receipts.

The Transaction is to be carried out in two steps: in the first step, the Tender Offeror will conduct the Tender Offer by setting a minimum number of shares to be purchased at the number of shares which will result in the Tender Offeror's holding of two-thirds or more of the total number of voting rights of the Company when acquired; and in the second step, the Tender Offeror will implement the Squeeze-Out Procedures through the Demand for Share Cash-out or the Share Consolidation method. Such scheme is a method commonly used to delist a listed company, and shareholders of the Company who are not satisfied with the Tender Offer Price can file a petition with the court for determination of the price after requesting the purchase of their shares.

Further, it is scheduled to be disclosed that (i) the Squeeze-Out Procedures will be conducted promptly after the completion of the Tender Offer, and (ii)

the amount of money to be delivered to the Company's general shareholders in the Squeeze-Out Procedures is planned to be equal to the Tender Offer Price.

In addition, the cash consideration for the Tender Offer has low risk in terms of value fluctuation, is highly liquid and, in addition, is relatively easy to evaluate when shareholders determine whether to tender their shares in the Tender Offer. Therefore, such cash consideration can be considered to be appropriate from the perspective of shareholder protection.

Based on the foregoing, the Transaction is considered to be not disadvantageous to the Company's general shareholders.

iii. The fairness of the procedures for the Transaction (including the process of selecting the Potential Partners)

In accordance with the Fair M&A Guidelines, (i) the Company has established the Special Committee which fulfills the role that a special committee is supposed to serve according to the Fair M&A Guidelines, (ii) the Company has obtained, among others, expert advice from outside experts, (iii) measures have been taken to ensure the opportunity for other offerors to conduct a tender offer for the Company Shares, (iv) in this press release, sufficient disclosure, including disclosure of important information that will help general shareholders make judgments about the appropriateness of the terms of the transaction, is made, and it is recognized that sufficient information is being provided to general shareholders, and (v) it is recognized that measures are being taken to eliminate coercion against the Company's general shareholders in relation to the Transaction. Considering the above, it is recognized, with respect to the Transaction, from both (a) the perspective of securing a situation in which reasonable efforts would be made, in the process of determining the terms and conditions of the Transaction, to ensure that the Transaction would be conducted on terms as advantageous to the general shareholders and the Stock Acquisition Rights Holders as possible on an arm's length basis, while enhancing the corporate value of the Company, and (b) the perspective of securing an opportunity for general shareholders to make appropriate decisions based on sufficient information (see 2.4 of the Fair M&A Guidelines), that measures to secure fairness were adopted with substance necessary and sufficient for the Transaction, and that such measures to secure fairness are actually being implemented effectively.

Therefore, fairness is recognized in the negotiations and decision-making processes of the Transaction.

iv. Whether the Transaction is not disadvantageous to the Company's general shareholders in light of (i) through (iii)

The Special Committee concluded that the purpose of the Transaction is legitimate and reasonable and that the Transaction will contribute to the enhancement of the corporate value of the Company, and, in addition, for the

entire Transaction, including the Tender Offer, the appropriateness of the Tender Offer Price and other terms and conditions of the Transaction, including the Tender Offer, has been ensured for the Company's general shareholders, and sufficient consideration has been given to the interests of the Company's general shareholders through fair procedures.

Therefore, it is recognized that the Transaction is not disadvantageous to the Company's general shareholders.

v. The propriety for the Company's Board of Directors, in the event that the Transaction involves a tender offer for the Company Shares, the Stock Acquisition Rights and the American Depositary Receipts, to (x) express an opinion in support of the Tender Offer, (y) recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender in the Tender Offer; and (z) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts

It is recognized that it is appropriate for the Company's Board of Directors to pass a resolution to (a) express an opinion in support of the Tender Offer, (b) recommend that the Company's shareholders tender in the Tender Offer, (c) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (d) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

C. Obtainment by the Company of Advice from an Independent Legal Advisor

As stated in "(ii) Background of Deliberation and Negotiation" in "C. Process and Reasons for Decision-Making by the Company" in "(2) Grounds and Reasons for the Opinion" above, the Company appointed Nagashima Ohno & Tsunematsu as its legal advisor independent from the Potential Partners, including the Tender Offeror, and the Company and received from Nagashima Ohno & Tsunematsu legal advice including advice concerning measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures of the Transaction, and the method, process, etc. of the Company's decision-making regarding the Transaction.

Nagashima Ohno & Tsunematsu is not a related party of the Potential Partners, including the Tender Offeror, or the Company and does not have any significant interest in relation to the Transaction including the Tender Offer. The Special Committee confirmed that there was no issue in terms of the independence of Nagashima Ohno & Tsunematsu and approved the appointment of Nagashima Ohno & Tsunematsu as the legal advisor of the Company. Also, the remuneration for Nagashima Ohno & Tsunematsu does not include contingency fees, which would be payable subject to completion, etc. of the Transaction.

D. Obtainment by the Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Agent

As stated in "(3) Matters Related to the Valuation" in "3. Details of and Grounds and Reasons for the Opinion on the Tender Offer" above, the Company requested Mitsubishi UFJ Morgan Stanley Securities, as its financial advisor and third-party valuation agent independent from the Potential Partners, including the Tender Offeror, and the Company, to calculate the share value of the Company Shares and obtained the Share Valuation Report from Mitsubishi UFJ Morgan Stanley Securities on November 5, 2024. Please refer to "(3) Matters Related to the Valuation" in "3. Details of and Grounds and Reasons for the Opinion on the Tender Offer" above for the summary of the Share Valuation Report.

Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Potential Partners, including the Tender Offeror, or the Company and does not have any significant interest in relation to the Transaction including the Tender Offer. In addition, Mitsubishi UFJ Morgan Stanley Securities is a company which has the same parent company as MUFG Bank, Ltd. ("MUFG Bank"), and MUFG Bank conducts loan transactions with the Company as part of ordinary banking transactions. According to Mitsubishi UFJ Morgan Stanley Securities, in accordance with applicable laws and regulations, such as Article 36, Paragraph 2 of the Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007, as amended), as measures to prevent adverse effects, appropriate conflict of interest management systems, such as information barrier measures to strictly manage the Company's information, have been established and implemented between, and within each of, Mitsubishi UFJ Morgan Stanley Securities as a financial advisor and MUBG Bank. Therefore, Mitsubishi UFJ Morgan Stanley Securities provides services as a financial advisor without being affected by the judgment of MUFG Bank and calculated the share value of the Company Shares from an independent standpoint. Considering that a strict information management system has been established in respect of the information management between, and within each of, Mitsubishi UFJ Morgan Stanley Securities and MUBG Bank, the Company appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation agent independent from the Potential Partners, including the Tender Offeror, and the Company. The Special Committee confirmed that there was no problem in terms of the independence of Mitsubishi UFJ Morgan Stanley Securities and approved the appointment of Mitsubishi UFJ Morgan Stanley Securities as the financial advisor and third-party valuation agent of the Company. Further, since the Company deems that sufficient consideration has been given to the interests of the Company's general shareholders in light of the other measures to ensure the fairness of the Tender Offer Price and the measures to avoid conflicts of interest implemented in the Transaction, the Company has not obtained from Mitsubishi UFJ Morgan Stanley Securities any opinion concerning the fairness of the Tender Offer Price (fairness opinion).

The remuneration for Mitsubishi UFJ Morgan Stanley Securities includes contingency fees to be paid subject to conditions such as the completion of the Transaction. Considering general customary practices in similar kinds of transactions and the propriety of the renumeration system that would cause the Company to incur a reasonable monetary burden even in the event of a failure of completion of the Transaction, the Company determined that the independence of Mitsubishi UFJ Morgan Stanley Securities would not be denied by the fact that the remuneration for Mitsubishi UFJ Morgan Stanley Securities includes contingency fees to be paid subject to the completion of the Tender

Offer and, accordingly, appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation agent based on the above remuneration system.

E. Approval of All Disinterested Directors (Including Members of the Audit & Supervisory Committee) of the Company

As stated in "C. Process and Reasons for Decision-Making by the Company" in "(2) Grounds and Reasons for the Opinion" above, the Company's Board of Directors carefully discussed and deliberated whether the Transaction including the Tender Offer will contribute to the enhancement of the corporate value of the Company and whether the terms and conditions of the Transaction including the Tender Offer Price are appropriate, taking into consideration the legal advice from Nagashima Ohno & Tsunematsu, advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, and the content of the Share Valuation Report, with the highest degree of respect for the content of the decisions of the Special Committee expressed in the Report.

As a result, as stated in "C. Process and Reasons for Decision-Making by the Company" in "(2) Grounds and Reasons for the Opinion" above, the Company has determined that the Transaction will contribute to the enhancement of the corporate value of the Company and that the terms and conditions of the Transaction including the Tender Offer Price are appropriate. Accordingly, the Company resolved, at its Board of Directors meeting held today and with unanimous approval of all of the Company's disinterested directors who participated in the deliberation and resolution (including those who are the members of the Audit & Supervisory Committee) (unanimous approval of all of the Company's nine directors), to the effect that it shall (i) express its opinion in support of the Tender Offer, (ii) recommend that the Company's shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (iii) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

F. Measures to Secure an Opportunity for Other Offerors to Conduct a Tender Offer

The Tender Offeror and the Company have not executed any agreement that restricts persons other than the Tender Offeror (the "Competing Acquisition Offerors") from contacting the Company, such as an agreement containing a transaction protection clause that prohibits the Company from contacting Competing Acquisition Offerors.

Furthermore, while the shortest tender offer period specified in the applicable laws and regulations is 20 business days, the Tender Offeror set the tender offer period at a longer period of 30 business days. By setting the tender offer period at a longer period than the shortest tender offer period specified in laws and regulations, the Tender Offeror secures an opportunity for the Company's general shareholders to make an appropriate judgement on whether to tender their shares in the Tender Offer and an opportunity for persons other than the Tender Offeror to conduct a competing offer, thereby aiming to ensure fairness of the Tender Offer.

Moreover, as stated in "(ii) Background of Deliberation and Negotiation" in "C. Process and Reasons for Decision-Making by the Company" in "(2) Grounds and Reasons for the

Opinion" above, the Company decided to perform the Transaction with the Tender Offeror after providing several Potential Partners, including the Tender Offeror, an opportunity to make a proposal through the implementation of the Process. Therefore, it can be said that the Transaction came to be performed after other transaction opportunities, such as the purchase of the Company Shares and the Stock Acquisition Rights by persons other than the Tender Offeror, was provided proactively.

Thus, the Company believes that opportunities for persons other than the Tender Offeror to purchase the Company Shares have been sufficiently secured.

4. Details of Material Agreements Concerning the Tender Offer

On November 6, 2024, the Tender Offeror and the Company entered into the Business Integration and Tender Offer Agreement, which sets forth (i) the matters concerning the cooperation between the Company and the Tender Offeror in implementing the Transaction and (ii) matters concerning their business integration. An overview of the Business Integration and Tender Offer Agreement is as follows:

(a) On the date of execution of the Business Integration and Tender Offer Agreement, the Company shall express and announce its opinion to the effect that it supports the Tender Offer and recommends that the shareholders of the Company tender their shares in the Tender Offer (the "Affirmative Opinion").

(b) The Business Integration and Tender Offer Agreement provides that, from the date of execution of the Business Integration and Tender Offer Agreement until the expiration of the Tender Offer Period, (i) the Company shall not change or withdraw the resolution regarding the Affirmative Opinion without the prior written consent of the Tender Offeror; provided, however, that (ii) if (a) (x) a tender offer by a third party to acquire all of the Company Shares and the Stock Acquisition Rights (the "Counter Tender Offer") is announced or commenced, or (y) the Company receives a sincere and feasible proposal regarding a tender offer (the "Counter Proposal") from a third party to acquire all of the Company Shares and the Stock Acquisition Rights, and (b) the tender offer price for the Company Shares in the Counter Tender Offer or the Counter Proposal exceeds the Tender Offer Price, and (c) the Company's Board of Directors, based on the advice of outside legal counsel, reasonably determines that it is likely that not changing or withdrawing the resolution regarding the Affirmative Opinion to the extent necessary in response to the circumstances after the resolution regarding the Affirmative Opinion will result in a breach of the Company's directors' duty of care of a good manager (zenkan-chui-gimu), the Company will notify the Tender Offeror as soon as practicable after making such determination so as to secure the opportunity for the Tender Offer to make a new proposal regarding the Tender Offer Price to a reasonable extent, and if the Tender Offeror does not make a new proposal to change the Tender Offer Price to a price higher than the tender offer price for the Company Shares proposed in the Counter Tender Offer or the Counter Proposal within five business days from the date of such notification, the Company may change or withdraw the resolution regarding the Affirmative Opinion without the prior written consent of the Tender Offeror.

(c) During the period from the date of execution of the Business Integration and Tender Offer Agreement to the date of completion of the Squeeze-Out Procedures, the Company shall

be obliged to (i) perform or cause its subsidiaries to perform services within the ordinary course of business, except for (A) actions to be performed in accordance with the express provisions of the Business Integration and Tender Offer Agreement, (B) items for which the prior consent of the Tender Offeror has been obtained, and (C) items, the performance of which has been disclosed to the Tender Offeror or its advisors, etc. prior to the date of execution of the Business Integration and Tender Offer Agreement, and (ii) not make or allow its subsidiaries to make any monetary expenditures, except for (A) those made in accordance with the express provisions of the Business Integration and Tender Offer Agreement, (B) those made within the scope of the ordinary course of business, (C) those included in the business plan presented by the Company to the Tender Offeror, and (D) those that are objectively and reasonably recognized as having only a minor impact on the Tender Offeror's investment decision.

(d) With respect to any of the agreements, etc. executed by the Company Group, the Company is obligated to (i) use its best efforts to a commercially reasonable extent to obtain, by the commencement date of settlement of the Tender Offer, the counterparty's consent to the completion of the Tender Offer if such consent is required under a material agreement with such counterparty and (ii) make a prior notification of the completion of the Tender Offer to the counterparty by the commencement date of settlement of the Tender Offer, if such notification is required under the agreement with such counterparty.

(e) (i) After completion of the settlement of the Tender Offer (including after a merger, if any, of the two parties; hereinafter the same), the parties will continue to respect each other's current management philosophy and culture, and if the two parties become a new integrated company through a merger after the Squeeze-Out Procedures take effect, the two parties shall establish a new management philosophy and purpose through good faith considerations and discussions, based on the spirit of equality; (ii) the two parties will cooperate in the implementation of initiatives aimed at the integration and unified management of the infrastructure businesses of the two parties and the realization of synergies, with a view to achieving continuous growth for the two parties as a single entity in the system integration and network integration markets, promptly after the execution of the Transaction; specifically, (a) a cross-party "Joint Promotion Task Team" (with subcommittees established for each subject area), the general managers of which shall be the respective Presidents of the two parties and managers of which shall be appointed from each of the two parties, shall be established under the management committees of the Tender Offeror and the Company, and shall promote discussions for strategic planning cooperation (integration of service menus for business in the infrastructure domain, consolidation of overlapping products and functions, cross-selling, etc.) with the aim of maximizing synergies between the two parties after the completion of the Transaction, (b) for the purpose of promoting the integration and fusion of the two parties and strengthening and promoting cooperation, the President and Chief Operating Officer of the Company shall participate in the management committee of the Tender Offeror after the completion of the Transaction, and (c) up to three officers of the Tender Offeror shall participate in the Company's management committee after the completion of the Transaction,; (iii) promptly after the completion of the Tender Offer, the two parties shall commence discussions between the management teams of the two parties on a merger of the two parties with an effective date in April 2026; (iv) the Company's trade name after completion of the settlement of the Tender Offer shall be maintained at the current trade name during the period in which the Company is a subsidiary of the Tender Offeror, and if the management

teams of the two parties determine, as a result of consideration and discussions, that it is appropriate to merge the two parties, "SCSK Net One Co., Ltd." (a proposed, tentative name) or any other new trade name that is appropriate for the future vision of the Company shall be determined, as the trade name of the new integrated company after the merger, through good-faith consideration and discussions between the two parties and by agreement between them; (v) with regard to the composition and treatment of the Company's management team and other directors and executive officers after completion of the settlement of the Tender Offer, the Company will make a proposal before the merger of the two parties is performed, and based on such proposal, the management teams of the two parties shall consult in good faith, and the Tender Offeror shall ultimately make a decision while also respecting the intentions of the Company's management team, and if the two parties are to merge, the management teams of the two parties shall, in the spirit of equality, discuss in good faith the management structure of the new integrated company, including the composition of directors and executive officers of the new integrated company, and as for the representative director of the new integrated company, the two parties shall consider the approach of each party appointing one representative director; (vi) after completion of the settlement of the Tender Offer, the Tender Offeror may nominate one director of the Company upon prior good faith consultation with the Company, and the Company shall implement the necessary procedures for the appointment of the person nominated by the Tender Offeror as a director of the Company; (vii) the Tender Offeror shall (A) consider in good faith, after consultation with the Company in good faith, the appointment or election of a person designated by the Company as a director and representative director of the Tender Offeror after the Tender Offeror's annual general meeting of shareholders to be held in June 2025, and (B) allow a person separately designated by the Company to attend meetings of the Tender Offeror's Board of Directors and other important meetings as an observer until a person who is designated by the Company is appointed or elected as a director and representative director of the Tender Offeror; (viii) the Tender Offeror will maintain the location of the Company's head office also after completion of the settlement of the Tender Offer (however, in the event that the two parties merge, the location of the head office of the new integrated company after the merger shall be decided through good-faith consideration and discussion between the two parties and by agreement); and (ix) the two parties shall respect the Company's existing initiatives with regard to the Company's business operations and business strategies to the maximum extent possible even after completion of the settlement of the Tender Offer, and if the Tender Offeror requests a change in the Company's existing initiatives with regard to the Company's business operations and business strategies after completion of the settlement of the Tender Offer, the two parties shall discuss and consider such change in good faith based on the spirit of equality between the two parties.

(f) (i) The Tender Offeror shall, as a general rule, maintain the employment of the employees of the Company Group who are employed in the Company Group on the settlement commencement date of the Tender Offer for a period of three years after the settlement commencement date, under working conditions that are not substantially less than the working conditions on the settlement commencement date, taking into consideration the overall working conditions on the settlement commencement date; (ii) in addition, after completion of the settlement of the Tender Offer, the Tender Offeror shall respect to the maximum extent the existing initiatives of the Company Group to achieve a good work-life balance for its employees, the flexible work styles of its employees through the use of telecommuting and work styles such as flexible work hours, time select work hours and

variable work hours, and the results of the previous personnel evaluations and evaluation methods for employees of the Company Group, and if the Tender Offeror wishes to make changes to any of these after completion of the settlement of the Tender Offer, the two parties shall discuss and consider them in good faith; (iii) if the two parties are to merge, the two parties shall, in the spirit of equality, appoint talented individuals to key positions of the newly integrated company regardless of their original organization; and (iv) the two parties shall establish a study team composed of members from each of the two parties to discuss and consider in good faith the unification of employment conditions, and in their consideration, the two parties shall respect each other's employment conditions to the maximum extent possible and shall make every effort to make the employment conditions after unification more favorable for the employees of both parties.

(g) In the Business Integration and Tender Offer Agreement, the Company has made representations and warranties with respect to certain matters, and it is provided that if the Company breaches any of such representations and warranties, the Tender Offeror may claim compensation for damages, etc. to the extent of reasonable causal relationship.

(Note) In the Business Integration and Tender Offer Agreement, the Company has made representations and warranties with respect to, among others, (i) the validity of its establishment, existence and authority, (ii) its legal capacity to hold rights and to carry out acts required for the execution and performance of the Business Integration and Tender Offer Agreement, (iii) the validity and enforceability of the Business Integration and Tender Offer Agreement, (iv) the acquisition of licenses and approvals, etc. required for the execution and performance of the Business Integration and Tender Offer Agreement, (v) the absence of any conflict with laws and regulations, etc. regarding the execution and performance of the Business Integration and Tender Offer Agreement, (vi) the absence of any transactions or involvement with antisocial forces, (vii) the absence of any bankruptcy proceedings, etc., (viii) the accuracy of the annual securities report for the fiscal year ending March 31, 2024, and (ix) accuracy and truthfulness of the information disclosed to the Tender Offeror.

5. Details of Benefits Received from the Tender Offeror or Any of Its Specially Related Parties

None.

6. Response Policy with Respect to Basic Policies Relating to the Control of the Company

None.

7. Questions to the Tender Offeror

None.

8. Requests for Extension of the Tender Offer Period

None.

9. Future Prospects

Please refer to the sections titled "B. Background, Purpose, and Decision-Making Process Leading to the Decision by the Tender Offeror to Conduct the Tender Offer, and Management Policy After the Tender Offer" in "(2) Grounds and Reasons for the Opinion" as well as "(4) Prospects of and Reasons for Delisting" and "(5) Policies for Reorganization After the Tender Offer (Matters Concerning the So-Called "Two-Step Acquisition")" in "3. Details of and Grounds and Reasons for the Opinion on the Tender Offer" above.

10. Other Matters

(1) Disclosure of the "Summary of Consolidated Financial Results for the Six Months (interim period) Ended September 30, 2024 (Based on Japanese GAAP)"

The Company disclosed its summary of financial results as of today. For details, please refer to the disclosed summary.

(2) Disclosure of the "Notice Regarding the Revision of Term-End Dividend Forecast for the Year Ending March 2025 (Non-dividend Distribution)"

The Company has resolved at the meeting of its Board of Directors held today that, on the condition that the Tender Offer is successfully completed, it shall revise the dividend forecast of the fiscal year ending March 31, 2025 disclosed on May 8, 2024 and it shall not perform a distribution of dividends for the same fiscal year. For details, please refer to the press release titled "Notice Regarding the Revision of Term-End Dividend Forecast for the Year Ending March 2025 (Non-dividend Distribution)" published by the Company today.

End

Reference: Outline of Purchase, etc. (Attachment)
For the overview of the Tender Offer, please refer to the press release titled "Notice of Commencement of a Tender Offer for Shares of Net One Systems Co., Ltd. (Securities Code: 7518) and Borrowing of Funds" published by the Tender Offeror today (Attachment).

November 6, 2024

To whom it may concern:

Company: SCSK Corporation
Representative: Takaaki Touma
President and Representative Director
Code: 9719 (TSE Prime Section)
Contact: Kazumasa Shimizu
General Manager, Corporate Communications Dept.
(Tel. +81-3-5166-1150)

Notice of Commencement of a Tender Offer for Net One Systems Co., Ltd. (Securities Code: 7518) and Borrowing of Funds

SCSK Corporation (the "Tender Offeror") hereby announces that it has decided, pursuant to its board of directors resolution dated today, to acquire common shares of Net One Systems Co., Ltd. (Securities Code: 7518, listed on the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") Prime Market; the "Target Company") (the "Target Company Shares") as well as its Share Options (For the definition of Share Options, please refer to "(3) Purchase Price" in "2. Outline of Purchase, etc." below) and American Depositary Shares (For the definition of American Depositary Shares, please refer to "(3) Purchase Price" in "2. Outline of Purchase, etc." below) through a tender offer provided for by the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act") (the "Tender Offer") as stated below.

In addition, the Tender Offeror simultaneously announces that it has decided to borrow funds in order to secure the funds required for the Transaction (For the definition of the Transaction, please refer to "(1) Outline of the Tender Offer" in "1. Purposes of Purchase, etc." below).

I. Terms of the Tender Offer

1. Purposes of Purchase, etc.

(1) Outline of the Tender Offer

Pursuant to its board of directors resolution dated today, the Tender Offeror has decided to implement the Tender Offer as part of a transaction (the "Transaction") intended to acquire all of the Target Company Shares listed on the Tokyo Stock Exchange Prime Market (including common shares of the Target Company to be delivered as a result of the exercise of the Share Options and excluding treasury shares held by the Target Company) and all of the Share Options and make the Target Company a wholly owned subsidiary of the Tender Offeror. As of the filing date hereof, the Tender Offeror owns none of the Target Company Shares or Share Options.

(Note 1) The breakdown of the Share Options (the names of each share option are defined in "(II) Share Options," under "(3) Purchase Price" in "2. Outline of Purchase, etc." The same

applies hereafter) outstanding as of the filing date hereof, as reported by the Target Company to the Tender Offeror, is as follows:

Name of Share Options	Number of Share Options as of today	Number of the Target Company Shares to be issued upon exercise of the Share Options (shares)
FY2012 Share Options	44	4,400
FY2013 Share Options	56	5,600
FY2014 Share Options	104	10,400
FY2015 Share Options	100	10,000
FY2016 Share Options	148	14,800
FY2017 Share Options	84	8,400
FY2018 Share Options	57	5,700
FY2019 Share Options	52	5,200
FY2020 Share Options	62	6,200
FY2021 Share Options	139	13,900
Total	846	84,600

With respect to the Tender Offer, the Tender Offeror entered into a business integration and tender offer agreement (the "Business Integration and Tender Offer Agreement") with the Target Company dated today, which provides for matters concerning cooperation between the Target Company and the Tender Offeror for implementation of the Transaction and matters concerning their business integration. For details of the Business Integration and Tender Offer Agreement, please refer to "(6) Matters Concerning Important Agreements About the Tender Offer" below.

Since the Tender Offeror intends to make the Target Company its wholly owned subsidiary, it has set the minimum number of shares to be purchased in the Tender Offer at 52,960,600 shares (ownership ratio (Note 2): 66.67%). If the total number of the Shares tendered in the Tender Offer (the "Tendered Shares") is less than the minimum number of shares to be purchased (52,960,600 shares), the Tender Offeror will purchase none of the Tendered Shares. Meanwhile, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer since it aims to make the Target Company its wholly owned subsidiary by acquiring all of the Target Company Shares (including common shares of the Target Company to be delivered as a result of the exercise of the Share Options and excluding treasury shares held by the Target Company) as described above. If the total number of the Tendered Shares is not less than the minimum number of shares to be purchased (52,960,600 shares), the Tender Offeror will purchase all of the Tendered Shares. The minimum number of shares to be purchased (52,960,600) has been determined based on the following calculation: (i) the number of voting rights (794,408 voting rights) represented by the number of the Target Company Shares (79,440,893 shares) (the "Total Number of Target Company Shares After Adjustment for Diluted Shares") calculated as follows: (a) add the number of Target Company Shares (84,600 shares) to be issued upon exercise of the 846 Share Options outstanding as of today to the total number of issued shares as of September 30, 2024 as stated in the "Summary of Consolidated Financial Results for the Six Months Ended (interim period) September 30, 2024 (Based on Japanese GAAP)," published by the Target Company today (the "Target Company's Q2 Financial Results") (80,308,700 shares), minus (b) the number of treasury shares

held by the Target Company as of September 30, 2024 as stated in the Target Company's Q2 Financial Results (952,407 shares)]; multiplied by (ii) a factor of two-thirds (with the product being 529,606 voting rights, which is rounded up to the nearest whole number); multiplied by (iii) the number of share units of the Target Company (100 shares) (with the product being 52,960,600 shares). The reason for this decision is as follows: The purpose of the Transaction for the Tender Offeror is to make the Target Company its wholly owned subsidiary; If, upon the completion of the Tender Offer, the Tender Offeror fails to acquire all of the Target Company Shares (including common shares of the Target Company to be delivered as a result of the exercise of the Share Options and excluding the treasury shares held by the Target Company) and all of the Share Options in the Tender Offer and implements the share consolidation procedure described in "(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" below, a special resolution at the shareholders' meeting as stipulated in Article 309, paragraph 2 of the Companies Act will be required; Accordingly, for the purpose of securing the implementation of the Transaction, the Tender Offeror has set the minimum number so that such requirement will be satisfied by ensuring that the Tender Offeror will own at least two-thirds of the total voting rights of all the shareholders of the Target Company after the Tender Offer.

(Note 2) "Ownership ratio" refers to the ratio (rounded to the second decimal place; hereinafter the same applies in the calculation of the ownership ratio) of the number of Target Company Shares to the Total Number of Target Company Shares After Adjustment for Diluted Shares.

If the Tender Offeror fails to acquire all of the Target Company Shares (including common shares of the Target Company to be delivered as a result of the exercise of the Share Options and excluding the treasury shares held by the Target Company) and all of the Share Options in the Tender Offer, it plans to implement a series of procedures to make the Tender Offeror the Target Company's only shareholder and make the Target Company the Tender Offeror's wholly owned subsidiary (the "Squeeze-Out Procedures") after the completion of the Tender Offer as described in "(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" below.

According to the "Notice Concerning the Opinion in Support of the Tender Offer for the Shares, etc. of the Company by SCSK Corporation, and Recommendation to Tender the Shares" announced by the Target Company today, (the "Target Company's Press Release"), at the Target Company's board of directors meeting held today, the Target Company resolved to the effect that it would express its opinion in favor of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer, that it would recommend that the owners of the American Depositary Receipts tender in the Tender Offer by surrendering their American Depositary Receipts to the Depositary Bank in advance and receiving delivery of the Target Company Shares related to such American Depositary Shares represented by the American Depositary Receipts, and that it would leave to the Share Option Holders (the "Share Option Holders") the decision as to whether to tender in the Tender Offer.

For details of the decision-making process of the Target Company's board of directors, please refer to the Target Company's Press Release and "(V) Approval of All Disinterested Directors (Including Members of the Audit & Supervisory Committee) of the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc."

(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer

The background, purpose and decision-making process which led to the decision to implement the Tender Offer and management policy after the Tender Offer are as follows. The description about the Target Company in the explanation below is based on the information published by the Target Company, the Target Company's Press Release, and the briefings received from the Target Company.

(I) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer

The Tender Offeror is a "global IT services company" created in October 2011 through the merger of Sumisho Computer Systems Corporation (an information services provider established in October 1969 as a subsidiary of Sumitomo Corporation, originally named Sumisho Computer Service Corporation., which was listed on the Second Section of the Tokyo Stock Exchange in February 1989, moved to the First Section of the Tokyo Stock Exchange in September 1991 and was renamed to Sumisho Computer Systems Corp. in October 1992) as the surviving company and CSK Corporation (an independent information services provider which was established in October 1968, originally named Computer Services Corporation, listed on the Second Section of the Tokyo Stock Exchange in June 1982 and shifted to the First Section of the Tokyo Stock Exchange in March 1985) as the absorbed company. As of today, the Target Company is listed on the Tokyo Stock Exchange Prime Market.

Under its corporate philosophy of "Create Our Future of Dreams", the Tender Offeror is committed to transform itself, achieve further advancement, support the Japanese economy and industry with IT, produce new value through IT and work with clients and society to create a future they desire in the spirit of partnership, thereby seeking to become a "Leading Company in IT Industry" that is widely recognized as being outstanding in a broad range of aspects such as technology and service quality, client satisfaction, human resources and management quality.

The Tender Offeror's group consists of the Tender Offeror, its 29 consolidated subsidiaries and its three equity method affiliates (the "Tender Offeror Group") and offers IT Consulting, Systems Development, Verification Services, IT infrastructure development, IT management, IT hardware and software sales, BPO (Note 1) Services and other services through close coordination of the following business segments: "Industrial IT Business," "Financial IT Business," "IT Business Solutions," "IT Platform Solutions," "IT Management Service" and "Others."

Under its corporate philosophy of "Create Our Future of Dreams", the Tender Offeror Group positions the concept of sustainability management at the core of its management, aiming for sustainable growth by contributing to the resolution of social issues. In addition, in April 2020, it identified seven material issues forming the compass in the promotion of its sustainability management as issues to be addressed in order to practice its corporate philosophy, and established Grand Design 2030 as its medium- to long-term vision. In Grand Design 2030, it sets forth its vision of evolving into a "Co-Creative IT Company". This is the representation of its corporate group that continues to provide new value in order to resolve various issues by promoting co-creative efforts (Note 2) with clients, partners, and society through the enhancement of the human capital of the Tender Offeror Group. Along with the goal of becoming a Co-Creative IT Company, Grand Design 2030 also outlines two directions of its corporate management: "Dramatic improvements in comprehensive corporate value (Note 3)" and "Challenge on the scale of Net Sales 1 Trillion Yen."

The Tender Offeror Group drafted its Medium-Term Management Plan (FY2023-2025) in April 2023 with the aim of realizing its goal of achieving Grand Design 2030. Toward the dramatic improvements in comprehensive corporate value achieved through (i) "Reorganization of business areas and redevelopment of business models to continue providing new value to clients and society", and (ii) "Maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of the Tender Offeror Group", it promotes three core strategies (Core Strategy 1: Decisive Business Shifts; Core Strategy 2: Development of Market-Leading Businesses in Growth Markets; and Core Strategy 3: Advancement of Next-Generation Digital Businesses through Co-Creation with Society) as specific measures.

Currently, Tender Offeror Group believes that IT services market in which the Tender Offeror Group operates, is expected to see moderate but steady market growth. However, the Tender Offeror Group recognizes that it will observe drastic changes in demands for IT services, which are the sources of the market growth, from conventional information and communication technology (ICT) demands to system

renovations intended to digitize businesses, modernization of operations themselves (innovation of operations and operational processes) and even business transformation needs to realize sustainable society as a result of rapid digitization of society. The Tender Offeror Group recognizes the need to establish its strategic position as an IT services provider that can actively respond to such changes in the business environment and lead the digitization of society.

In order to become a Co-Creative IT Company as envisioned in Grand Design 2030 by achieving sustainable growth with a view to trends of society, market and advanced technologies and other factors in the medium- to long-term, the Tender Offeror has sought opportunities not only to seek autonomous growth by maximizing its internal capital, but also to reform its business portfolio and strengthen its business foundation through various measures including collaboration and partnerships with external parties based on its belief that those measures will be critical factors.

Over the years, the Tender Offeror has developed a corporate culture of facing its clients sincerely and closely support them as their IT partner, and has wide-ranging experience and track records of application development in various types of businesses and industries. On the other hand, the Tender Offeror is aware that, in order to realize Grand Design 2030 and lead the digitization of society, it must drastically transform its business structure itself to develop Technology-Driven Approach business by placing a greater focus on the development, utilization and application of advanced digital technologies.

The Tender Offeror believes that, in achieving such transformation of its business structure, it is essential to strengthen and advance its business foundation that utilizes advanced technologies in the IT infrastructure area (Note 4), in which it lacks a customer base and various technological resources due to the structure of its business portfolio, in addition to its efforts to further improve its capabilities to utilize advanced technologies in the application area (Note 5). Currently, the Tender Offeror has limited integration capabilities (response capabilities in a series of processes from design to construction, testing, and implementation) in the fields of network and security, and has been only partially successful in developing its business that organically connects the area of application with the area of IT infrastructure. It recognizes its strategic business issue that it has not developed its business foundation to an adequate level to provide services unifying those two areas, for which demands are likely to grow remarkably due to qualitative shifts in social demands for IT services as a result of advances to be made in digital technologies.

(Note 1) "Business Process Outsourcing (BPO)" refer to services to undertake various corporate operations as an external contractor.

(Note 2) "Co-creation" refers to the process of creating new value with customers, partner companies, and the community, rather than by the Tender Offeror alone.

(Note 3) Corporate value to be aimed for as the Tender Offeror Group's fundamental corporate capabilities in practicing "sustainability management as a growth strategy" and working to become a Co-Creative IT Company in 2030 under the Medium-Term Management Plan (FY2023-FY2025). This corporate value includes both economic value and non-financial factors such as social value and human capital value.

(Note 4) "IT infrastructure area" refers to the technological area that serves as the foundation for the operation of applications.

(Note 5) "Application area" refers to software and computer programs that operate on IT infrastructure, such as business systems, mobile applications, and web applications.

On the other hand, according to the Target Company's Press Release, the Target Company was founded as Japan's first specialist network integrator at the dawn of computer networks in February 1988 and started the business of network construction, which has served as the foundation for the solution to business activities of client companies and social issues. In December 2001, the Target Company was listed on the First Section of the Tokyo Stock Exchange, and following the shift to a new market category on the exchange in April 2022, it is on the Tokyo Stock Exchange Prime Market as of today.

With the purpose to “unleash the potential of people and networks, and create a prosperous future by carrying on/inheriting tradition and making innovation happen,” the Target Company has established a unique position in the ICT industry as a system integrator that has a strength in networks and specializes in the infrastructure area. The Target Company evaluates cutting-edge infrastructure products (hardware, software, cloud services, and AI infrastructure) with its proprietary intellectual properties and insights and covers the Enterprise, Telecom Carrier, Public, and Partner Businesses as its business domains, providing support for the entire lifecycles of ICT infrastructure of its customers from design and construction to system maintenance and operation. The features of the Target Company’s main businesses (segments) are as follows.

(i) Enterprise Business: The Target Company conducts the business for major private companies such as manufacturing and non-manufacturing companies, domestic financial institutions, and foreign-affiliated companies. The Target Company helps its clients to enhance their competitiveness through information utilization, working style reforms, and cost reductions, by developing and optimizing the entire ICT infrastructure including cloud platforms.

(ii) Telecom Carrier Business: The Target Company has expanded the business centered on the construction of telecom networks owned by telecom carriers and Internet service providers (ISPs). In recent years, the Target Company has been engaged in the development of cloud- and security-related service infrastructure to be offered by its customer along with their telecom networks.

(iii) Public Business: The Target Company conducts the business mainly for local governments, education, companies that provide social infrastructure, and hospitals. The Target Company enhances security of official and other information and establishes common platforms to optimize investment costs.

(iv) Partner Business: The Target Company conducts a resale business that sells products and services through collaboration with system integrators who undertake all-in-one information system outsourcing.

In the ICT industry, to which the Target Company belongs, management with a strong awareness of sustainability is required. As part of its sustainability policy, the Target Company has been working to hone its ICT expertise in relation to critical assessment and the knowledge that comes from “superior network technology,” “multi-vendor support” and “co-creation with customers” to provide services that create both social and economic value, thereby contributing to a sustainable society and achieving sustainable growth for the Target Company. On the other hand, looking at recent changes in the environment surrounding the ICT industry, as advanced technologies such as AI, IoT and quantum computers are being implemented in society, high-quality and secure network infrastructure has become indispensable. Amidst the growing demand for digitization, the Target Company perceives there is a business opportunity in a business that can contribute to solving social issues and aims to achieve further growth and development by utilizing its characteristics.

Against such business environment, and with a view to achieving the purpose above, the Target Company has established the Mission that “each of us is a professional with outstanding expertise and high ethical standards, and contributes to solving the problems of society and our customers” and four Visions to “act with pride as a leading network company,” “create added value unique to Net One and achieve sustained growth,” “continue to be an elite group of people who train their minds and skills through continuous self-improvement,” and “maintain an appropriate profit structure to fulfill our responsibilities to a wide range of stakeholders.” The Target Company has thus far strived to realize the provision of services that take into account optimal system design and construction and post-installation utilization, by combining “the world-leading network technology,” “critical assessment capabilities” to offer the best solutions based on the market environment, cutting-edge technologies, and actual issues

facing customers from a neural standpoint, and "integration capabilities" to combine multiple products and services. With regard to corporate culture of the Target Company, while adopting the basic stance of always staying close to its customers and partner companies with sincerity as a pioneer in the network industry, it puts forward "thinking and acting on one's own." Specifically, the Target Company has been striving to foster and entrench five practices of corporate culture: 1) creating value as a team, 2) showing mutual support, 3) relishing challenges, 4) maintaining purpose-driven attitudes, and 5) confronting risks.

In order to realize the purpose, the Target Company has also established a "Vision for 2030" to demonstrate its medium- and long-term management vision and direction with regard to the Visions above. For example, concerning the Vision to "act with pride as a leading network company," the Target Company aims to gain a social reputation as a role-model corporation that conducts advanced initiatives by 2030. Similarly, concerning the Vision to "create added value unique to Net One and achieve sustained growth," the Target Company aims to create added value that meets market needs, expand its business domains, and create new businesses by utilizing its intellectual properties, so as to solve issues facing the society, markets, and customers.

The Target Company believed that formulating a specific roadmap for "realizing the purpose" and "realizing the 'Vision for 2030'," which is a milestone on the way to realizing its purpose, while promptly responding to the recent rapid changes in the market and economic environment as well as technological innovation in Japan, is an important matter of consideration for management and the execution of business. While proceeding with such considerations, the Target Company came to consider the need for non-linear growth through means such as capital and business alliances, in addition to the conventional approach of utilizing the Target Company's business resources to grow existing businesses.

Under these circumstances, the Tender Offeror and the Target company have continually and repeatedly discussed on multiple occasions competitive advantages expected to be gained and anticipated impacts on the market and industry if they realize a management integration since early October 2023 in light of the initial opinion exchange on future business visions and strategies between their management teams in mid-September 2023. Amid these situations, the Tender Offeror came to believe that, by operating business with the Target Company in an integrated way and utilizing the business foundations of both of the companies based on the business integration in the spirit of equality, it would be able to seek business synergies in the short term, such as cross-selling for clients with whom there is no mutual transaction; and that, in the medium- to long-term, it could resolve the strategic business challenge of the lack of adequate business foundations to offer services that integrate the application area and the IT infrastructure area, which are expected to be in much higher in demand in the future amid qualitative changes in demand for IT services in the society due to the evolution of digital technologies, and by merging advanced and latest IT infrastructure service technologies with software engineering services utilizing application service technologies, it could offer unified digital services ranging from network, security and cloud to data utilization and other applications and develop into a new corporate body that would lead the IT service industry and contribute to the development of Japanese economy and resolution of social issues in the society where any and all persons, things and events are connected as a result of digitization. As this idea is based on the same direction as indicated in the idea "IT Digital Platform Company" presented by the Target Company in the discussions with it, the Tender Offeror determined that the Target Company and the Tender Offeror could create new values that either side finds it difficult to realize on its own by engaging in the same business together. Against such a background, the Tender Offeror commenced a full-scale examination of a possible capital and business alliance with the Target Company, methods thereof and other related issues in late-November 2023.

Thereafter, in late February 2024, the Tender Offeror received notification from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities"), the Target

Company's financial advisor, that it would conduct the first-round process for selecting the Target Company's strategic partner to realize the Target Company's further growth in the future (the "First-Round Process") and that Mitsubishi UFJ Morgan Stanley Securities intends to invite the Tender Offeror to the First-Round Process as one of the companies with complementary strengths that could promote the Target Company's growth. According to the Target Company's Press Release, three business companies, including the Tender Offeror, participated in the First-Round Process.

The Tender Offeror decided in late February 2024 to participate in the First-Round Process as it has come to believe that the Transaction would contribute to enhancing the corporate value of both the Tender Offeror and the Target Company in view of the high compatibility between future business plans of the two.

In early March 2024, the Tender Offeror selected Daiwa Securities Co. Ltd. ("Daiwa Securities") as its financial advisor and a third-party valuation institution independent from the Tender Offeror and the Target Company, and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as its legal advisor independent from the Tender Offeror and the Target Company. While also receiving advice from Daiwa Securities whenever necessary, the Tender Offeror considered the submission of its first letter of intent based on the business plans of the Target Company for three periods from the fiscal year ending March 2025 through the fiscal year ending March 2027 (the "Business Plans"), which it obtained from Mitsubishi UFJ Morgan Stanley Securities, and submitted on April 30, 2024, the first letter of intent stating that the Tender Offeror would conduct the Transaction.

According to the Target Company's Press Release, the Target Company then carefully examined the contents of the first letter of intent from the perspectives of enhancing the corporate value of the Target Company and securing the common interests of its shareholders and decided to approve the participation of the Tender Offeror in the second-round process (the "Second-Round Process"). The Tender Offeror then received a notification from the Target Company on July 26, 2024, announcing that the Tender Offeror had passed the First-Round Process and that its participation in the Second-Round Process was approved, through Mitsubishi UFJ Morgan Stanley Securities, and it was decided that the Tender Offeror was to participate in the Second-Round Process. For the Second-Round Process, the Tender Offeror conducted, in a period between late July 2024 and early September 2024, due diligence on the business, finance, tax, legal affairs, human resources, IT, etc. of the Target Company, and interviews with the management of the Target Company, and has proceeded with detailed analyses and examinations on specific measures to be taken to deliver business synergies between the Tender Offeror Group and the Target Company, and management policies, etc. to be taken after the Tender Offeror makes the Target Company its wholly owned subsidiary. According to the Target Company's Press Release, two business companies, including the Tender Offeror, participated in the Second-Round Process.

In view of these examinations and processes, the Tender Offeror concluded in late September 2024 that the management philosophies and stances toward corporate culture of the Tender Offeror and the Target Company were highly compatible, and that the Tender Offeror's business integration with the Target Company would lead to the birth of a business group that would be capable of establishing a highly competitive position with unparalleled, overwhelming features combining the network/security/IT infrastructure area and the application area. The Tender Offeror was therefore convinced that the business integration would help secure sustainable growth and maximize corporate value of the Tender Offeror and the Target Company. For the reason why the Target Company selected the Tender Offeror as a result of the Second-Round Process, please refer to "(VI) Execution of the Process" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc." below.

The Tender Offeror recognizes that the management philosophies and visions embraced by the Tender Offeror and the Target Company are extremely compatible. The Target Company embraces the purpose

“Unleash the potential of people and networks, and create a prosperous future by carrying on/inheriting tradition and making innovation happen” and the mission “Each of us is a professional with outstanding expertise and high ethical standards, and contributes to solving the problems of society and our customers” (Note 6). In the meantime, the Tender Offeror adopts a corporate philosophy “Create Our Future of Dreams” and pursues “Our Promises” to achieve the philosophy—”Respecting each other,” “Providing excellent service utilizing reliable technology,” and “Sustaining growth from a global and future perspective” (Note 7). The Tender Offeror believes that the two companies share the fundamental ideas—make the most of the capabilities of “people,” enhance “technologies,” and contribute to the “future.”

In addition, the five cultural practices that the Target Company aims to establish by the end of its Medium-Term Management Plan (“creating value as a team,” “relishing challenges,” “maintaining purpose-driven attitudes,” “showing mutual support,” and “confronting risks”) significantly overlap with the Tender Offeror’s Code of Conduct “Challenge: Aim higher with future creating passion,” “Communication: Act with integrity and responsibility for our customers and society,” and “Communication: Facilitate teamwork with respect and understanding.” Furthermore, the Target Company states in its 2024 Integrated Report, “ efforts to permeate our corporate philosophy are, through the phase of ‘ appreciation’ for the philosophy, going to enter the phase of ‘sympathy and resonance,’ where employees act on the philosophy together and their actions will gain an external recognition and reputation as cultural practices unique to Net One.” On the part of the Tender Offeror, President and Representative Director Takaaki Touma said in a message to all employees he delivered when he took office in April 2022, “I recognize that the Group must be an entity that contributes to and is deemed necessary by society. I am therefore tasked with supporting all Group members in walking their differing roads toward individual happiness while also enabling us to contribute to society as an organization. I believe the sustainable growth we are aiming for should be the result of the achievement of these tasks. It is therefore imperative that everyone at the SCSK Group have a strong understanding of the values we cherish which are embedded in our corporate philosophy, our business vision, our raison d’être, and our future direction so that we can fulfill the role of our organization.” promoting “Value-Driven Management” toward realization of its desirable corporate group vision. Given the above, the Tender Offeror understands that the two companies’ corporate cultures are highly compatible and that the management perspectives of their leaders have many commonalities.

(Note 6) Cited from the corporate philosophy on the Target Company’s website (https://www.netone.co.jp/english/company/message/philosophy/).

(Note 7) Cited from the corporate philosophy of the Tender Offeror posted on its website (https://www.scsk.jp/index_en.html).

The Tender Offeror seeks to provide a software engineering service utilizing advanced digital technologies in the medium and long term through the business integration with the Target Company, and to contribute to realization of a world where individuals, companies and the society can utilize such technologies at will. The Tender Offeror plans to build a software engineering service based on advanced digital technologies on a platform where the Target Company’s network integration technologies are enhanced, and to offer the service as its next-generation core business in Japan and abroad, by conducting necessary transformation and enhancement of the system integration business and other current core businesses, reinforcing its business consultation capabilities, and developing advanced digital technologies. The Tender Offeror believes that these businesses can be effective when system integration and network integration are combined, that is, the Tender Offeror and the Target Company work together, and that it can solve social issues that may arise in various forms by providing new value and take a lead in digitalization of society.

The Tender Offeror is also confident that toward realizing a business plan to be envisioned by the corporate group to be created through the business integration with the Target Company, it can further enhance its innovativeness, growth, and profitability, develop into a company that spearheads the

digitalization of society by providing new value to social issues, and achieve the maximization of corporate value by promoting the following three central businesses specifically.

(1) “Digital Infrastructure PaaS Business” with Software System Development Platform and Automatic Generation Functions

For corporate clients, the Tender Offeror will offer a platform service that enables the comprehensive provision of various computing resources such as network, security, storage, and data utilization platform (Note 8), in addition to provision of data center service, server, operating system (OS), and middleware (Note 9). For a system development platform, the Tender Offeror will embed generative AI utilizing an inherent database, provide exclusive no-code and low-code development platform functions for specific clients and industries (Note 10), and develop hybrid cloud PaaS service/IaaS service (Note 11) to respond to demand from clients for in-house production. The Tender Offer expects that the businesses can be materialized if it utilizes the Target Company’s network virtualization technology and its experience, technologies, and knowhow in environment building and operational support for multi cloud and hybrid cloud.

(Note 8) “Network/security/storage/data utilization platform” refer to the following functions and services in the IT infrastructure area.
Network: a system or infrastructure that enables data communication between computers or devices.
Security: a means or process that defends data, systems, and other assets from unauthorized access or attacks.
Storage: a system or device that stores data.
Data utilization platform: a system or infrastructure that supports the gathering, storage, analysis, and utilization of data.

(Note 9) “Data center service, server, operating system (OS), and middleware” refer to the following functions and services in the IT infrastructure area.
Data center: a facility built exclusively for management, storage and processing of data. The facility equipped with server, storage, network equipment, etc., enables a company to safely store and efficiently process data.
Data center service: various services provided by the data center. The services include a hosting service that provides the server and infrastructure needed to host websites or applications on the cloud, a managed service for setup, management, supervision, etc. of server and infrastructure, connections to hyperscalers, among others.
Server: a computer or software that provides services and resources to other computers (clients) on the computer network.
Operating system (OS): system software that manages hardware and software resources on the computer and provides common services for application software.
Middleware: software in the middle between OS and application software that assists the communication between different applications or services and management of resources, etc.

(Note 10)”No-code/low-code development platform functions” refer to platforms that enable the development of a high-quality system with a short delivery time without expertise in programming by setting up standard parts, additional parts, and design information appropriately.

(Note 11)”Hybrid cloud PaaS service/IaaS service” refer to the following respectively.
Hybrid cloud: a model that combines the use of both public and private cloud for provision and utilization.
PaaS service: a platform service that provides functions needed to develop, test, and deploy applications.
IaaS service: a platform service that virtually provides server, storage, network, and other physical infrastructure on the cloud.

(2) “Offering Business” That Utilizes Advanced Digital Technologies and Expertise Related to Operations

Targeting specific industries such as manufacturing and finance, the Tender Offeror will offer a business solution, which can be considered the best combination, on the platform boasting sophisticated functionalities of API integration of application systems and sophisticated network/data security/IT infrastructure resources, by utilizing generated AI that responds to demand for business functions related to common operations in each industry and accumulating own intellectual properties and other digital solutions. In particular, the Tender Offeror will prepare and utilize business consulting capabilities with industry expertise that helps envision the ideal state of the client’s business by backcasting from the future vision, and develop offerings in digital business and operational process that actively drive clients’ business innovation. In a related move, the Tender Offeror will provide a service that helps clients modernize their business process through business process outsourcing practices provided by the Tender Offeror Group. To materialize this business, the Tender Offeror believes that the incorporation of the Target Company’s network and security products into the offerings will significantly increase added values to solutions to be made available for clients.

(3) “Data Integration/Data Utilization Platform Business”

The Tender Offeror will provide a platform service that enables an advanced data-driven management by combining an integrated management analysis platform for various business data and a data integration platform with network and IT infrastructure services, and realize an advanced management application of various business data within specific companies by adding big-data analysis functions.

Targeting a broad range of industries and businesses including mobility, healthcare, energy, etc., the Tender Offeror will offer the platform service to multiple companies engaged in various businesses across industries. The Tender Offeror will build an ecosystem that extends beyond the boundaries of a company and fosters collaborations between companies or across industries using big data accumulated on platform control technologies with consideration into secure network connections and energy constraints between companies or across different industries, and offer a service that contributes to not just sophistication of existing businesses, but also development of new businesses, and even creation of new industries, by utilizing big data. The Tender Offeror is confident that the Target Company’s network integration technologies will be the source of competitive advantage in this business.

The Tender Offeror also anticipates that the Transaction will produce the following synergetic effects and benefits specifically for the Tender Offeror and the Target Company. To maximize the following synergetic effects and benefits and achieve its strategic significance, the Tender Offeror concluded that it would be essential to make the Target Company its wholly owned subsidiary to eliminate the risk of conflict of interest with minority shareholders of the Target Company and enable the Target Company to operate its business under a coherent management policy and to make decisions promptly to implement necessary measures at an appropriate time. The Tender Offeror believes that the realization of synergetic effects and benefits from the Transaction for the Target Company will also help the Tender Offeror, which will make the Target Company its wholly owned subsidiary through the Transaction, enhance its corporate value as the Tender Offeror Group that will include the Target Company following the Transaction.

(i) Implementation of a new customer strategy based on a new client relationship for main clients of the Tender Offeror, provision of a comprehensive service covering applications and IT infrastructure, and establishment of a position as a strategic IT services partner for common clients through increased market share within these clients.

(ii) Expansion of business through development of an IT infrastructure service focusing on the Target Company's network integration service for some 8,000 customer bases of the Tender Offeror

(iii) Expansion of business through provision of the Tender Offeror Group's system development, maintenance and operation services to the Target Company's main clients in the Enterprise market, and provision of a sophisticated managed service integrating the Tender Offeror's data center service and the Target Company's security technology.

(iv) Provision of a service combining the Tender Offeror Group's solutions (help desk operations, BPO services, etc.) to clients for the Public market (local governments, boards of education, incorporated administrative agencies, etc.) in which the Target Company excels, and exploration of a new business domain through development of an application service for the Public market.

(v) Expansion of business through provision of all the services encompassing the entire security system domain based on the combination of the Target Company's network and security technologies (designing and building), the Tender Offeror's human resources and expertise in security management and supervision that had been provided to the Sumitomo Corporation Group and services centered around SIEM (Note 12).

(vi) Curtailment of costs realized by enhancement of purchasing power over main vendors through the integration of sales business between the Target Company and the Tender Offeror, and increased efficiency through business process integration.

(vii) Business expansion into the Asian market through incorporation of the Target Company's global-standard products (Note 13) and integrative power into the Tender Offeror's global business platform.

(viii) Strengthening of capabilities to explore potential products and develop new businesses through combination of the Tender Offeror's state-of-the-art technology research function and venture capital function in its U.S. bases with the Target Company's assessment capacity to identify qualities with regard to advanced technologies and services in the IT infrastructure area.

(ix) Development of new digital services such as a vertical integration model for applications and infrastructure, etc. and joint development looking for new market opportunities through integrated expertise and intellectual properties of the two companies.

Synergies in the above (i) through (v) are expected to be produced in the area of integrated IT infrastructure management services. The Tender Offeror considers it possible to build servers, networks, security systems, data centers, and all other IT infrastructure, and to provide a one-stop comprehensive IT infrastructure management service by incorporating the Target Company's network layer service (Note 14) into the Tender Offeror's server and other infrastructure management services. Such service is planned to be provided to clients that do not overlap with those of the Target Company among the Tender Offeror's main clients for its IT infrastructure management services business.

Meanwhile, synergies in the above (iii) and (v) are expected to be produced in the area of security and network services. Specifically, the Tender Offeror and the Target Company have strong partnerships with main vendors that deal with various products and services in network and security equipment as well as management services, possess advanced expertise and experiences in those products and services, and intend to provide integrated security services categorized by industry and customer scale, by leveraging their positions in the industry expected to be even reinforced by the business integration. For the major vendors as well, the companies intend to become partners with strong presence being capable of providing all the services at once.

For the Public market in (iv), the Tender Offeror intends to pursue synergies in the business particularly targeting local municipalities, a customer base in which the Target Company excels, by providing them with the Tender Offeror Group's services (promotion of working style reforms among medical professionals, issuance of digital local currencies, management of digital gift certificates with premiums, etc.) and exploring a new business with its service lineup expanded.

(Note 12) "Security Information and Event Management (SIEM)" refers to a system to perform integrated management of security information.

(Note 13) "Global-standard products" refer to products widely recognized around the world that share common standards or quality.

(Note 14) "Network layer service" refers to a service that includes the procurement of network equipment as well as network design, development, maintenance, and operation.

Taking into account the results of the above review, the Tender Offeror submitted the final letter of intent (the "Proposal") to the Target Company as of September 27, 2024, as a legally binding proposal based on due diligence that the Tender Offeror conducted on the Target Company in a period from late July 2024 through early September 2024 on the terms and conditions such as the tender offer price per Target Company Share (the "Tender Offer Price") when the Tender Offer is conducted, stating that the Tender Offeror would (i) conduct a tender offer for all shares issued by the Target Company with an intention of making the Target Company its wholly owned subsidiary, (ii) set the Tender Offer Price per Target Company Share at 4,400 yen (a premium of 21.18% (rounded to two decimal places; the same applies hereafter to the premium values (%) over stock prices) over 3,631 yen, which is the closing price on September 26, the business day immediately preceding the proposal date, a premium of 24.79% over 3,526 yen (rounded to the nearest whole number; the same applies hereafter to the simple average values (yen) of closing prices), the simple average value of the closing prices for the one month immediately preceding the proposal date, a premium of 37.63% over 3,197 yen, the simple average value of the closing prices for the three months immediately preceding the proposal date, and a premium of 47.26% over 2,988 yen, the simple average value of the closing prices for the six months immediately preceding the proposal date), the purchase price per Share Option (the "Purchase Price for Share Option") at one yen, and the Tender Offer Price per Target Company Share related to the American Depositary Shares represented by the American Depositary Receipts at 4,400 yen. In response to the Proposal, the Tender Offeror received a request from the Target Company on September 30, 2024, for a reconsideration, arguing that the Target Company regarded the Tender Offer Price as significantly deviating from the price level it had anticipated in order to express its affirmative opinion for the Tender Offer and recommend its shareholders to tender their shares.

In response to the request from the Target Company, the Tender Offeror made a proposal in writing on October 4, 2024, setting the Tender Offer Price per Target Company Share at 4,500 yen (a premium of 27.95% over 3,517 yen, which is the closing price on October 3, the business day immediately preceding the proposal date; a premium of 26.16% over 3,567 yen, the simple average value of the closing prices for the one month immediately preceding the proposal date, a premium of 38.76% over 3,243 yen, the simple average value of the closing prices for the three months immediately preceding the proposal date, and a premium of 48.81% over 3,024 yen, the simple average value of the closing prices for the six months immediately preceding the proposal date).

The Tender Offeror then received a notification on October 7, 2024, from the Target Company in which the Target Company promised to conduct deliberations and negotiations on the Transaction exclusively with the Tender Offeror in a period from the same day through November 6, 2024.

The Tender Offeror then received, on October 17, 2024, questions regarding the Proposal relating to the background and purpose behind their proposal, expected transaction structure, economic terms and conditions of the transaction, post-transaction management policy, and fund-raising method concerning the payment of consideration for the transaction from the Special Committee (to be defined in "(II) Decision-making Process Leading to and Grounds for the Affirmative Opinion for the Tender Offer by

the Target Company" below) through Mitsubishi UFJ Morgan Stanley Securities. Taking into account the questions, the Tender Offeror submitted its answers to the questions, explaining the details described in "(I) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" through "(III) Management Policy After the Tender Offer," to the Special Committee on October 23, 2024, and provided an explanation to the Special Committee on the same day. In addition, on the same date, the Tender Offeror was required to reconsider the Tender Offer Price by the Target Company. Moreover, on October 24, 2024, the Tender Offeror was also required to consider the Tender Offer Price again by the Special Committee through an interview. In response to these requirements, on October 28, 2024, the Tender Offeror answered to the Target Company that it determined, after consideration based on the requirement to raise the Tender Offer Price from the Special Committee, that it was still difficult for the Tender Offeror to raise the Tender Offer Price to more than 4,500 yen. Thereafter, on November 5, 2024, the Tender Offeror received a notification from the Target Company and the Special Committee that they would accept the Tender Offer Price of 4,500 yen.

Through the above discussions and negotiations, pursuant to the Tender Offeror's board of directors resolution dated today, the Tender Offeror decided to conduct the Tender Offer and conclude the Business Integration and Tender Offer Agreement. For details of the Business Integration and Tender Offer Agreement, please refer to "(6) Matters Concerning Important Agreements About the Tender Offer" below.

(II) Decision-making Process Leading to and Grounds for the Affirmative Opinion for the Tender Offer by the Target Company

According to the Target Company's Press Release, such process and grounds are as follows:

(1) Process of Creating a Consideration Structure

As stated in "(I)Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" above, the Target Company has considered measures to maximize its corporate value from a medium- to long-term perspective. Meanwhile, during the period from October 2022 through late November 2023, three business companies ("Partner Candidates") indicated their interest in a capital and business tie-up with the Target Company and requested discussion or made a preliminary proposal, at different times, to the Target Company. Each interested Partner Candidate including the Tender Offeror was provided with opportunities for discussion with the management of the Target Company on management policy, and discussions were held between persons in charge of practical matters at both parties, although the concreteness of proposal, the degree or scope of interest, the depth of consideration, etc., varied with each Partner Candidate. After an initial exchange of opinions between the management teams of the Target Company and the Tender Offeror regarding future business plans and strategies in mid-September 2023, the Target Company has continuously discussed with the Tender Offeror on multiple occasions regarding the competitive advantages that are expected to be gained in the event of a business integration between the two companies and the impact on the market and industry since early October 2023.

Under these circumstances, considering the fact that the Target Company had received in writing a strategic proposal of a certain level of specificity involving the privatization of the Target Company Shares from one of the Partner Candidates (which is not the Tender Offeror) on December 1, 2023 (however, no specific purchase price was presented at this point), in accordance with the "Guidelines for Corporate Takeover" (the "Corporate Takeover Guidelines") published by the Ministry of Economy, Trade and Industry on August 31, 2023, the Target Company decided that it would be appropriate to implement a process (the "Process") of collecting comparable materials from each of the Partner Candidates from the perspective of enhancing the Target Company's corporate value and securing the common interests of shareholders, whereby the Target Company would compare and deliberate strategic options including the strategic proposals from each of the Partner Candidates and the "stand-alone"

management option of not forming a capital or business alliance. Thus, the Target Company decided to commence the Process. In order to ensure the fairness of the Transaction, including the Tender Offer, and to handle the Process, in early February 2024, the Target Company appointed Mitsubishi UFJ Morgan Stanley Securities as a financial advisor to the Target Company independent of the Partner Candidates and the Target Company. The Target Company also decided to continue to appoint Nagashima Ohno & Tsunematsu, which had been advising the Target Company since October 2023, as a legal advisor independent of the Partner Candidates and the Target Company, beyond early February 2024. In addition, in mid-April 2024, for the purpose of further strengthening the advisory structure for the deliberation of strategic options, including the enhancement of corporate value by stand-alone management, the Target Company appointed QuestHub Co. Ltd. ("QuestHub"), which had assisted the Target Company in the past with formulation of its mid-term business plan, as a strategic advisor independent of the Partner Candidates and the Target Company.

As part of preparation for the Process, in consideration of the circumstances in which although the Transaction does not fall under a management buy-out or acquisition of a controlled company by a controlling shareholder, Partner Candidates were expected during the Process to make proposals involving the privatization of Target Company Shares, the Target Company also started creating a structure that enables consideration and negotiation from a standpoint that is independent from Partner Candidates including the Tender Offeror and the Target Company as well as the success or failure of the Transaction, for the purpose of eliminating arbitrariness from the Target Company's decision-making process on the Transaction, evaluating strategic options available to the Target Company from the stand point of ensuring the enhancement of the corporate value of the Target Company and furthering the interest of its general shareholders, and then evaluating and reaching conclusions on whether to enter into the Transaction, the appropriateness of its terms and conditions, the fairness of its procedure, etc. Specifically, as stated in "(IV) Establishing of an Independent Special Committee and Obtaining a Report of its Findings by the Target Company" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc." below, the Target Company made preparations for the establishment of a special committee consisting of independent outside directors of the Target Company (the "Special Committee") from mid-February 2024 onwards. On February 29, pursuant to the resolution of the Target Company's board of directors from the viewpoint that it is appropriate to appoint Outside Executive Directors who have insights in the legal, accounting and business fields as the members of the Special Committee, the Special Committee consisting of three members, Ms. Maya Ito (Outside Executive Director of the Target Company), who is an attorney, Mr. Kazuhiro Noguchi (Outside Executive Director and Full-time Member of the Audit & Supervisory Committee of the Target Company), who is a certificated public accountant, and Mr. Masayoshi Wada (Outside Executive Director of the Target Company), who has experience serving as a director of a company engaged in the same type of business as the Target Company, was established (for the background of the establishment of the Special Committee, its consideration process and conclusions, etc., please refer to "(IV) Establishing of an Independent Special Committee and Obtaining a Report of its Findings by the Target Company" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc." below.). The Target Company sought advice from the Special Committee on (i) the reasonableness of the purpose of the Transaction (including whether the Transaction is expected to contribute to corporate value enhancement of the Target Company), (ii) the appropriateness of the terms and conditions of the Transaction (including the appropriateness of the implementation method of the Transaction and the appropriateness of type of consideration for the Transaction), (iii) the fairness of the procedure of the Transaction (including the Partner Candidate selection process), (iv) based on (i) through (iii), whether the Transaction is disadvantageous to the Target Company's general shareholders, and (v) if the Transaction involves a tender offer for the Target Company Shares, the Share Options, and the American Depositary Receipts, whether it is appropriate to for the Target Company's board of directors (a) to express its opinion in favor

of the Tender Offer, (b) to recommend that the Target Company's shareholders and Share Option Holders tender their shares or Share Options in the Tender Offer, and (c) to recommend that the owner of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Target Company Shares related to the American Depositary Shares represented by their American Depositary Receipts (collectively, "Advisory Matters"). In establishing the Special Committee, the Target Company's board of directors resolved that its decisions should be made by respecting the opinion of the Special Committee to a maximum extent. The Target Company's board of directors resolved that (i) with regard to the negotiation between the Target Company and Partner Candidates, the Target Company will create a situation in which the Special Committee can substantially influence the negotiation process of transaction terms by confirming directions in advance, receiving timely reports on the situation, stating opinions in crucial phases, and giving instructions or requests, (ii) the Special Committee will be granted the authority to appoint its own advisor at the cost of the Target Company or approve an advisor selected by the Target Company (including after-the-fact approval) and to receive expert advice from such advisors as necessary in evaluating and reaching conclusions on the Advisory Matters, (iii) the Special Committee will be granted the authority to collect or receive from the Target Company executives and employees or advisors any information necessary for evaluating and reaching conclusions on the Advisory Matters. As stated in "(IV) Establishing of an Independent Special Committee and Obtaining a Report of its Findings by the Target Company" in "(3) Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price, measures to avoid the risk of conflict of interest, etc." below, the Special Committee approved Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu, and QuestHub as the Target Company's financial advisor and third-party valuation institution, legal advisor, and strategic advisor, respectively, after confirming that there was no problem in their independence and technical expertise, and decided to receive expert advice from them as necessary.

(2) Consideration and Negotiation Process

As stated in "(1) Process of Creating a Consideration Structure" above, in December 2023, in view of substantive strategic proposals, including privatization of the Target Company Shares, received from some of the Partner Candidates the Target Company determined that it is appropriate to conduct, in accordance with the Corporate Takeover Guidelines, a process in which the Target Company will collect from each Partner Candidate materials for comparison from the perspectives of ensuring the enhancement of its corporate value and securing its shareholders' common interests in order to perform comparative analysis of strategic proposals received from each Partner Candidate and available strategic options, including management on a stand-alone basis, and the Target Company decided to start the Process.

On February 29, 2024, the Target Company started the First-Round Process in which it requested that three Partner Candidates, all of which are business companies, submit an initial letter of intent stating the background and purpose behind their interest in the Target Company, expected transaction structure, economic terms and condition of the transaction, post-transaction management policy, and fund-raising method concerning the payment of consideration for the transaction. In the First-Round Process, the Target Company provided the Partner Candidates with disclosure and explanation of the Business Plan and opportunities for them to interview the Target Company and received non-binding initial letters of intent (the "First Statements of Intent") from two Partner Candidates including the Tender Offeror on April 30, 2024. The First Statement of Intent submitted by the Tender Offeror included, as a non-binding initial letters of intent, a Tender Offer Price of 4,250 yen (a premium of 60.74% over 2,644 yen, which is the closing price of the Target Company Shares at the Tokyo Stock Exchange Prime Market as of the same date).

After carefully evaluating the contents of the First Statements of Intent from the perspectives of ensuring the enhancement of the Target Company's corporate value and securing its shareholders' common interests as well as other multiple strategic options, including the comparison of the management on a stand-alone basis, on July 26, 2024, the Target Company started the Second-Round Process in which these two Partner Candidates were requested to submit a binding final letter of intent, and these two Partner Candidates conducted due diligence on the Target Company Group regarding its business, finance, tax, legal affairs, etc., and interviews with the management of the Target Company to understand the details of the Target Company Group. On September 27, 2024, of the two Partner Candidates, the Target Company only received a binding final letter of intent from the Tender Offeror, which included a proposal to set the Tender Offer Price at 4,400 yen (a premium of 23.49% over 3,563 yen, which is the closing price of the Target Company Shares at the Tokyo Stock Exchange Prime Market on the same date).

However, taking into account the opinion of the Special Committee held on September 28, 2024, the Target Company came to the conclusion that it should request for reconsideration of the Tender Offer Price as the price stated in the final letter of intent deviated from the level expected by the Target Company. Hence, the Target Company decided not to immediately grant exclusive negotiation rights to the Tender Offeror in order to maintain its bargaining power against the Tender Offeror, and requested for reconsideration of the Tender Offer Price. Subsequently, on October 7, 2024, the Target Company, after receiving from the Tender Offeror a revised proposal to set the Tender Offer Price at 4,500 yen (a premium of 26.12% over 3,568 yen, which is the closing price of the Target Company Shares at the Tokyo Stock Exchange Prime Market on the same date) on the premise that the Tender Offeror is granted exclusive negotiation rights on October 4, 2024, decided to grant exclusive negotiation rights to the Tender Offeror until November 6, 2024, the timing of announcement of the Transaction that the Target Company was envisaging.

Following this, on October 8, 2024, the Target Company requested the Tender Offeror to further raise the Tender Offer Price, as the Tender Offer Price did not fully reflect the intrinsic value that the Target Company could realize and in consideration of the premium level. However, on October 21, 2024, the Target Company received a response from the Tender Offeror stating that it was difficult to further raise the Tender Offer Price. In response, on October 23, 2024, the Target Company requested the Tender Offeror to reconsider the Tender Offer Price. In addition, on October 24, 2024, the Special Committee requested the Tender Offeror through an interview to consider the Tender Offer Price again. In response to these requirements, on October 28, 2024, the Tender Offeror answered to the Target Company that it determined, after consideration based on the requirement to raise the Tender Offer Price from the Special Committee, that it was still difficult for the Tender Offeror to raise the Tender Offer Price to more than 4,500 yen.

Subsequently, on November 5, 2024, the Target Company notified the Tender Offeror that it accepted to set the Tender Offer Price at 4,500 yen.

Through discussions and negotiations described above, the Target Company reached an agreement with the Tender Offeror on the content of the Business Integration and Tender Offer Agreement, including the Tender Offer Price and the Purchase Price for Share Options .

On November 5, 2024, the Target Company received a report (the "Report") from the Special Committee stating that (i) the purpose of the Transaction is considered to be reasonable and the Transaction is considered to contribute to the enhancement of the corporate value of the Target Company, (ii) the terms and conditions of the Transaction (including the method of implementation (the method of implementing the Squeeze-out Procedures after the completion of the Tender Offer if the Tender Offeror is unable to acquire all of the Target Company Shares (including common shares of the Target Company to be delivered upon exercise of the Share Options but excluding the treasury shares owned by the Target Company) and all of the Share Options) of the Transaction and the type of consideration for the Transaction) are considered to be appropriate, (iii) the procedures for the Transaction (including the process of selecting the Partner Candidates) are considered to be fair, (iv) the Transaction is considered

to be not disadvantageous to the Target Company's general shareholders (for the avoidance of doubt, the "general shareholders" here include "Minority Shareholders" as defined in the Securities Listing Regulations of the Tokyo Stock Exchange) in light of (i) through (iii), and (v) it is appropriate for the Target Company's board of directors to pass a resolution to (a) express an opinion in support of the Tender Offer, (b) recommend that the Target Company's shareholders tender in the Tender Offer, (c) recommend that the owners of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Target Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (d) leave the decision to the Share Option Holders as to whether or not to tender in the Tender Offer (For an overview of the Report, please refer to "(IV) Establishing of an Independent Special Committee and Obtaining a Report of its Findings by the Target Company" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc." below).

(3) Details of the Decision

As a result of multiple discussions between the top management of both companies, and evaluations conducted through the Process, the Target Company decided to enter into the Transaction based on the judgment that it would significantly contribute to the realization of the Target Company's "Vision for 2030" and the eventual achievement of the Target Company's corporate philosophy and purpose. The Target Company reached this conclusion mainly on the following grounds:

(i) The affinity of both companies' purpose, corporate philosophy, and corporate culture is extremely high.
(ii) Both companies came to a common understanding that while both companies have already established themselves as leading companies in the system integration domain and the network integration domain, respectively, the integration between them will enable them to further accelerate the creation of new values, which is difficult for them to achieve independently.
(iii) The Target Company came to sympathize with the future grand vision and direction that both companies will together aim to achieve future evolution as a leading ICT company in Japan beyond the Process which envisions merger between the companies.
(iv) The Transaction will be a foothold to reach an overwhelming Leading Company with sales of 1 trillion yen in the future by leading the future restructuring and growth of the industry as well as to quickly enhance its presence in the industry as a group company with sales of approximately 700 billion yen through the integration of the two companies.

In addition, the Target Company has come to a conclusion that the Transaction will contribute to the realization of its "Vision for 2030," and, in turn, the enhancement of its corporate value since, in the course of the companies' examination of specific synergies, the Target Company has been able to identify the following short- and medium-term expected effects. The Target Company is not aware of any particularly significant dis-synergies arising from the Transaction.

Expected Short- to Medium-Term Benefits:

I. Expansion of the Market in Which Both Companies Operate and Their Clients:
Whereas the Tender Offeror's strengths lie in transactions with enterprise clients such as manufacturers and financial service providers, the Target Company has transactions with public-sector entities, telecommunications carriers, and partners as well as with enterprise clients. As such, there are differences between the Target Company and the Tender Offeror in markets where their strengths lie and client characteristics. The Target Company believes that the Transaction will enable both companies to

provide further value through mutual referral of existing clients and mutual service proposals to each other's clients.

II. Enhancement of Service Lines That Strengthen ICT Infrastructure Support for Clients:

The Target Company believes that the Transaction will enable it to strengthen its PBOO model that supports the life cycle of its clients' ICT infrastructure and to provide one-stop support services for problem solving of clients in a wider range of domains than before. Specifically, the Target Company believes that it can strengthen its service lines through mutual complementation of products and solutions of both companies. The Target Company also believes that, in addition to the service line enhancement and the complementary relationship, it can aim to provide an unprecedented unique value by creating unique consulting services based on the operational experience of both companies. The Target Company further believes that it can strengthen its service lines in a manner that can create a new value that is not possible if both companies work independently, through research and development, sourcing of new business opportunities, and service development based on combined knowledge of both companies.

III. Expansion of the Technology Domain:

The strengths of the Target Company and the Tender Offeror lie in different technology domains, and they are complementary to each other. The Target Company believes that the Transaction will enable both companies to provide complete service line-up through vertical integration that combines the Target Company's technologies in the system infrastructure and network domains with the Tender Offeror's technologies in the system platform and application domains, and consequently to provide improved value to customers. The Target Company also believes that it can further broaden the scenes of ICT utilization through the integration of both companies in the technology domain.

IV. Efficiency Improvement in Business Operations:

The Target Company believes that it can attain efficiency improvement in business operations through increased purchasing power against main vendors resulting from the utilization of the Target Company's partner business and the integration of both companies, service sharing resulting from the integration of products and solutions of both companies, sharing and efficiency improvement of in-house IT systems, and integration of know-how of the corporate functions of both companies.

V. Creation of Innovation:

Although the strengths of the Tender Offeror and the Target Company lie in different technology domains, they have in common that they have been proactive in seeking new technologies and businesses since before. The Target Company believes that it can contribute to the vitalization of the Japanese ICT industry by facilitating co-creation activities including with customers and business partners through coordination between the know-how of both companies, business development and research bases of both companies, including those in the U.S., and the Target Company's innovation center to create new innovation.

VI. Talent Development Opportunities:

The Target Company believes that, through the process of realization of the expected benefits listed above, it can also achieve effective development and recruitment of talents required for the future business environment.

In addition, although the Target Company believes that it will be able to realize the Target Company's purpose of "unleashing the potential of people and networks, and creating a prosperous future by carrying on/inheriting tradition and making innovation happen" even on a stand-alone basis, the Target Company determined that it can achieve the purpose in a more progressive way by proceeding with the Transaction together with the Tender Offeror. Specifically, the Target Company believes that, by integrating the

management of the two companies based on the spirit of equality, they will be able to promote the utilization of digital platforms while providing services through vertical integration, and, as a result, strive to become a company that leads the digitalization of society, Japan and their customers comprehensively.

Moreover, the Target Company has determined that the Tender Offer Price and other terms and conditions of the Tender Offer are appropriate in light of the following: (a) the terms and conditions of the Transaction, including the Tender Offer Price, were obtained through the Process described in "(VI) Execution of the Process" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc." below and, as a result of the Target Company securing opportunities to receive proposals for enhancing its corporate value from multiple Partner Candidates, there were no candidates which proposed more advantageous terms and conditions to the Target Company's shareholders and the Share Option Holders (including the terms and conditions proposed in the First Process) as compared to the proposal offered by the Tender Offeror; (b) in the process of determining the terms and conditions of the Transaction, as a result of negotiations and discussions through the Process, a reasonable increase in the Tender Offer Price was achieved and reasonable efforts were made to ensure that the Transaction would be conducted on terms as advantageous to the Target Company's general shareholders as possible; and (c) according to the results of the share valuation of the Target Company Shares by Mitsubishi UFJ Morgan Stanley Securities as described in "(II) Obtainment by the Target Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc." below, (i) the Tender Offer Price exceeds the range of the valuation results based on the market price analysis, (ii) the Tender Offer Price exceeds the range of the valuation results based on the comparable company comparison analysis, (iii) the Tender Offer Price is within the range of the valuation results based on the discounted cash flow analysis (the "DCF Analysis") and exceeds the midpoint of such range, (iv) while the premium level of the Tender Offer Price cannot necessarily be said to be high when compared with other similar cases, as the median premium levels for the 109 cases of tender offers (cases of tender offers with the premise of delisting, where the price-to-book ratio of the target company before the transaction was more than one; excluding tender offers for treasury shares, so-called discounted tender offers and tender offers which had not completed by the last day of September, 2024 when the negotiation began) announced on or after June 28, 2019, when the Ministry of Economy, Trade and Industry published its "Fair M&A Guidelines" (the "Fair M&A Guidelines"), were 40.13% of the closing price on the business day prior to the announcement date, 39.80% of the simple average of closing prices over the period of one month prior to the business day before the announcement, 41.66% of the simple average of closing prices over the period of three months prior to the business day before the announcement, and 42.62% of the simple average of closing prices for the period of six months prior to the business day before the announcement, considering that the share price of the Target Company Shares is in an upward phase and has recently been volatile, recording the highest price since the beginning of the year in terms of closing price three business days before the announcement, it is more appropriate to consider the share prices of the Target Company Shares over a longer period of time than to consider only the most recent share prices of the Target Company Shares, and thus the premium level of the Tender Offer Price cannot be said to be unreasonable when compared with the premium levels in other cases of tender offers, (v) the Tender Offer Price can be said to be a price with a reasonable premium in light of the most recent other cases of tender offers, since the number of cases in which the premium level is relatively low has increased in the cases of successful tender offers in 2024 against the backdrop of the recent rise in the Nikkei Stock Average, and cases with a premium of less than 40% accounted for about 50%, and cases with a premium of less than 30% accounted for 20% to 30%, of the cases of successful tender offer cases in 2024, and (vi) the Tender Offer Price is above 3,970 yen, which is the highest closing price of the shares of the

Target Company in the last three years, and 4,010 yen, which is the highest price during trading sessions in the last three years; (d) it cannot be said to be unreasonable to set the Purchase Price for Share Options at one yen, in light of the fact that the Share Options have been issued as stock options to the executives and employees of the Target Company and its subsidiaries and a Share Option Holder may exercise the Share Options only for the whole amount, within the exercise period of the Share Options and only for a period commencing from the day following the day on which such Share Option Holder ceases to hold all of his/her positions as any of the Target Company's or its subsidiary's director, auditor, executive officer or employee (excluding contract employees), until ten days have passed from such following day (if the tenth day falls on a public holiday, until the following business day), but there are no Share Option Holders who, by satisfying the terms and conditions to exercise the Share Options, are expected to exercise them, and the Tender Offeror cannot exercise the Share Options even if the Tender Offeror acquires such Share Options; and (e) there is nothing unreasonable in terms of the treatment of the American Depositary Receipts and the American Depositary Shares or in terms of the tender offer price per share of the Target Company Shares related to the American Depositary Shares represented by the American Depositary Receipts, in light of the facts that (x) when the Tender Offeror, a resident of Japan, intends to acquire the American Depositary Receipts in the Tender Offer conducted outside the United States, there is no financial instruments business operator, etc. that can make such treatment as a tender offer agent in practice and thus it is difficult for the Tender Offeror to acquire the American Depositary Receipts in the Tender Offer and that (y) the tender offer price per share of the Target Company Shares related to the American Depositary Shares represented by the American Depositary Receipts is set at the same price as the Tender Offer Price.

Based on the above, the Target Company resolved, at its board of directors meeting held today, to the effect that it shall (i) express an opinion in support of the Tender Offer, (ii) recommend that the Target Company's shareholders tender their shares in the Tender Offer and the owner of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Target Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (iii) leave the decision to the Share Option Holders as to whether or not to tender in the Tender Offer.

Please refer to "(V) Approval of All Disinterested Directors (Including Members of the Audit & Supervisory Committee) of the Target Company" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc." for the method of the resolution at the abovementioned Company's board of directors meeting

(4) Matters Concerning Valuation

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

In evaluating the Tender Offer Price presented by the Tender Offeror and expressing an opinion on the Tender Offer, the Target Company obtained from Mitsubishi UFJ Morgan Stanley Securities, which is a third-party valuation institution independent from the Target Company and Partner Candidates including the Tender Offeror, a share valuation report dated November 5, 2024 ("Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities)") as a measure to ensure fairness. Mitsubishi UFJ Morgan Stanley Securities does not fall under a related party of the Target Company or the Tender Offeror and does not have any significant interest regarding the Tender Offer.

(ii) Outline of Valuation

After considering the valuation methods that should be used among various share valuation methods when calculating the value of the Target Company Shares, based on the premise that the Target Company is a going concern and from the perspective that it would be appropriate to assess the share value of the Target Company in multiple ways, Mitsubishi UFJ Morgan Stanley Securities conducted the valuation

of Target Company Shares using market price analysis because the Target Company Shares are listed on the Tokyo Stock Exchange Prime Market and their market stock prices are quoted, comparable company analysis because there are multiple listed companies engaging in businesses that are relatively similar to that of the Target Company and it is possible to estimate the value of Target Company Shares based on comparison with these comparable companies, and DCF Analysis to reflect the valuation of intrinsic value based on the status of future business activities. The Target Company did not obtain an opinion from Mitsubishi UFJ Morgan Stanley Securities regarding the fairness of the Tender Offer Price(a fairness opinion). The ranges of the value per share of Target Company Shares calculated under each of the abovementioned methods are as follows:

Market price analysis: 3,166 yen to 3,574 yen
Comparable company analysis: 2,670 yen to 4,237 yen
DCF Analysis: 4,026 yen to 4,944 yen

Under the market price analysis, November 5, 2024 was set as the valuation base date, and the per share value of the Target Company Shares was calculated to be in the range of 3,166 yen to 3,574 yen, based on the closing price of Target Company Shares on the Tokyo Stock Exchange Prime Market as of the valuation base date of 3,574 yen, the simple average closing prices over the preceding one month of 3,545 yen, over the preceding three months of 3,444 yen, and over the preceding six months of 3,166 yen.

Under the comparable company analysis, the value of the Target Company Shares is calculated through the comparison of market stock prices and financial indicators of profitability, etc. between the Target Company and listed companies engaging in businesses that are relatively similar to that of the Target Company. As a result, the per share value of the Target Company Shares was calculated to be in the range of 2,670 yen to 4,237 yen.

Under the DCF Analysis, the enterprise value of the Target Company was calculated by discounting free cash flows that the Target Company is expected to generate in consideration of various factors, such as the Business Plan, the trend of financial results through the most recent accounting period, and publicly available information, to their present value using a certain discount rate, and the calculated enterprise value was adjusted for certain financial factors, such as adding the value of cash and cash equivalents held by the Target Company. As a result, the per share value of the Target Company Shares was calculated to be in the range of 4,026 yen to 4,944 yen.

The Business Plan used by Mitsubishi UFJ Morgan Stanley Securities for the calculation under the DCF Analysis does not include fiscal years in which a substantial increase/decrease in profit or a significant increase/decrease in cash flow is expected. In addition, since the Business Plan is not premised upon the implementation of the Tender Offer, the synergies expected to be realized by the Tender Offer are not reflected in the Business Plan.

The Target Company announced its consolidated financial results forecast for the year ending March 31, 2025 with consolidated net sales of 220 billion yen and operating profit of 21 billion yen in the "Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)" disclosed by the Target Company on August 6, 2024. On the other hand, as of the date of preparation of the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), the Target Company made minor revisions to the figures of the Business Plan based on the current progress of its business. With regard to the revised Business Plan, the Special Committee also confirmed the reasonableness of the content and process of such revisions and approved the disclosure of the revised Business Plan to the Partner Candidates as described in "(2) Background to the Consideration of the Special Committee" in "(IV) Establishing of an Independent Special Committee and Obtaining a Report of its Findings By the Target Company."

(Note): The analysis of Mitsubishi UFJ Morgan Stanley Securities including the Target Company Shares value analysis was provided solely for the purpose of reference for deliberations of the board of directors of the Target Company and was addressed solely to the board of directors of the Target Company with respect to consideration of the Tender Offer. This analysis does not constitute either a financial opinion of or a recommendation by Mitsubishi UFJ Morgan Stanley Securities or any of its affiliates, and does not express any opinion or make any recommendations to shareholders of the Tender Offeror or the Target Company concerning any actions by their respective shareholders, or any voting rights exercised by any shareholder in relation to the Tender Offer at a general meeting of shareholders, or any other action in connection with the Tender Offer.

In evaluating the equity value of the Target Company Shares, Mitsubishi UFJ Morgan Stanley Securities adopted, without any change, the information provided from the Target Company, information that has already been disclosed, and other relevant materials, and, assuming that all of such information and materials are accurate and complete, has not independently verified the accuracy or completeness of such information and materials. In addition, Mitsubishi UFJ Morgan Stanley Securities assumes that the information related to the financial forecasts of the Target Company has been reasonably prepared by the Target Company based on best forecasts and judgments available to them as of November 5, 2024 (the Reference Date).

Mitsubishi UFJ Morgan Stanley Securities has assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the Transaction, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the Transaction. Mitsubishi UFJ Morgan Stanley Securities is not a legal, accounting or tax advisor. Mitsubishi UFJ Morgan Stanley Securities is a financial advisor only and has relied upon, without independent verification, the assessment of the Target Company and its legal advisors with respect to legal, accounting or tax matters.

With respect to the assets and liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Target Company and its affiliated companies, Mitsubishi UFJ Morgan Stanley Securities has not independently evaluated or assessed these assets or liabilities, or ordered any appraisal or assessment from a third party institution.

The evaluation by Mitsubishi UFJ Morgan Stanley Securities reflects the afore-mentioned information up to the Reference Date, and is based on the economic, financial, and market factors, among other things, as well as the information obtained by Mitsubishi UFJ Morgan Stanley Securities as of the Reference Date. Events occurring after the Reference Date may have an impact on the analysis results from Mitsubishi UFJ Morgan Stanley Securities and on the assumptions used in preparing the Share Valuation Report, but Mitsubishi UFJ Morgan Stanley Securities assumes no responsibility for updating, correcting or reconfirming the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) or its analysis results. The preparation of the Share Valuation Report and the analysis result serving as the basis for the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) have gone through a complex process which cannot be adequately described by partial analysis or summary descriptions. The evaluation range listed in this report based on the specific analysis cannot be relied upon as an evaluation by Mitsubishi UFJ Morgan Stanley Securities of the actual value of the Target Company. Mitsubishi UFJ Morgan Stanley Securities provides services as a financial advisor for the Target Company in connection with the Tender Offer, and plans to accept a fee as compensation for its services. A substantial portion of the fees collectable by Mitsubishi UFJ Morgan Stanley are contingent on the announcement and the completion of this Tender Offer.

(iii) Summary of the Calculation of the Share Options

The Target Company has not obtained a valuation report or fairness opinion from a third-party valuation institution regarding the Purchase Price for Share Options. Considering such matters as the fact that the Share Options have been issued as stock options to the executives and employees of the Target Company and its subsidiaries, and a Share Option Holder may exercise the Share Options only for the

whole amount held by the Share Option Holder, within the exercise period of the Share Options and only for a period commencing from the day following the day on which such Share Option Holder ceases to hold all of his/her positions as any of the Target Company's or its subsidiary's director, auditor, executive officer or employee (excluding contract employees), until ten days have passed from such following day (if the tenth day falls on a public holiday, until the following business day) and the Tender Offeror cannot exercise the Share Options even if it obtains them, the Tender Offeror has rendered all the Purchase Price for Share Options as one yen.

(iv) Summary of the Calculations of the American Depositary Receipts

Considering that, in the Tender Offer, the Target Company will not accept tenders of the American Depositary Receipts but will accept tenders of the Target Company Shares related to the American Depositary Shares represented by the American Depositary Receipts, with one American Depositary Receipt representing the ownership of one Target Company Share, the tender offer price of the American Depositary Receipts, which refers to the tender offer price per share of the Target Company Shares that will be delivered by surrendering the American Depositary Receipts to the Depositary Banks, is set at 4,500 yen, which is the same price as the Tender Offer Price.

(III) Management Policy After the Tender Offer

(a) Regarding Business Strategies

The Target Company has established a leading position in the industry, particularly in the network integration business, and by combining the application development technology of the Tender Offeror and the customer bases of both companies, the IT infrastructure business will be further strengthened and it will become possible to provide services from IT infrastructure to applications as a package, and the business value of the group after the integration is expected to be enhanced in a relatively short period of time. In addition, as stated in "(6) Matters Concerning Important Agreements About the Tender Offer" below, the Tender Offeror and the Target Company entered into the Business Integration and Tender Offer Agreement concerning the Transaction dated today, which sets forth matters concerning cooperation between the Target Company and the Tender Offeror on the implementation of the Transaction and matters concerning their business integration. Under the Business Integration and Tender Offer Agreement, the Tender Offeror and the Target Company have agreed to start their cooperation toward the integration and unified operation of the two companies' infrastructure businesses and launch an initiative to produce synergetic effects promptly after the execution of the Transaction, in order to secure continuous and unified growth at both companies in the system integration and network integration markets.

Moreover, in pursuing short-term and medium- to long-term synergies between the two companies, the Tender Offeror and the Target Company have specifically agreed to start discussion towards setting up a cross-boundary "Integration Task Force" for which presidents of both companies will assume have overall responsibility and other responsible persons will be chosen from the companies, under the Tender Offeror's Management Committee and the Target Company's Management Committee, to promote strategic planning and collaboration to maximize synergies. In addition, the Tender Offeror would like to have the medium- to long-term strategic business plan and business strategy considered, formulated, and agreed upon by the management of the two companies.

(b) Regarding the Target Company's Position in the Tender Offeror Group Following the Completion of the Transaction

Following the completion of the Transaction, the Target Company will serve as a major group company in the Tender Offeror Group dealing with one of its core businesses. As for the Target Company's management, the Tender Offeror will respect the management that the Target Company adopted prior to the execution of the Transaction, and expects that the Target Company will push forward its conventional business management leveraging its strengths. Under the Business Integration and Tender Offer Agreement, the two companies have agreed that both companies should respect existing

initiatives about the business management and business strategies which the Target Company has conducted to the maximum extent, even after the completion of the settlement for the Tender Offer, and that if the Tender Offeror requests the Target Company to change the existing initiatives about the business management and business strategies which the Target Company has conducted after the completion of the settlement for the Tender Offer, the two companies should discuss and consider such change in good faith based on the spirit of equality between both companies. In the meantime, the Tender Offeror also expects that the Target Company will embark on an initiative toward a business collaboration with the Tender Offeror to produce synergies at an early stage, as mentioned in the above "Regarding Business Strategies."

It should be noted that the Tender Offeror and the Target Company have agreed to start the consideration on conducting a merger between the Tender Offeror and the Target Company due in April 2026 following the completion of the Transaction, as a specific scheme for business integration, as it considers it essential to integrate employees and businesses of both companies in order to materialize the business plan promptly without fail.

Regarding the name of the Target Company after the execution of the Transaction, the Tender Offeror and the Target Company have agreed to maintain the current name, taking into account the Target Company's business significance, its established brand power, etc., during the period when the Target Company is positioned as a subsidiary of the Tender Offeror. As for the subsidiaries of both companies, the Tender Offeror intends to maintain the current structures for the time being, but expects to consider a reconstruction if necessary in the course of their discussions on their future strategic business plan and subsidiary structure.

(c) Regarding the Management System and Governance

Regarding the Target Company's management system, the Tender Offeror considers building a coherent governance system as a consolidated group company, while giving full respect to the Target Company's autonomy as an independent company and its current management system, during the period when the Target Company is positioned as a subsidiary of the Tender Offeror following the completion of the Transaction. The Tender Offeror expects and hopes that existing members of the Target Company's management will continue to play a leadership role in the Target Company's business management and the Tender Offeror and the Target Company have agreed under the Business Integration and Tender Offer Agreement that before the execution of the merger between both companies, the composition and treatment of members of the management, other directors and executive officers of the Target Company after the completion of the settlement for the Tender Offer should be ultimately decided by the Tender Offeror, respecting the intention of the Target Company's management members after discussion between management members of both companies in good faith based on the proposal of the Target Company. It is also agreed that if it is decided that the merger between both companies is conducted, management members of both companies should consider and discuss the management system of the integrated new company including the composition of directors and presidents in good faith based on the spirit of equality between both companies and that both companies should consider appointing one representative director each for the new integrated company. In addition, under the Business Integration and Tender Offer Agreement, both companies have agreed that after the completion of the settlement for the Tender Offer, the Tender Offeror may appoint one executive director of the Target Company after prior discussion between the Target Company in good faith and the Target Company should conduct the procedure required for the election of the person whom the Tender Offeror has appointed as an executive director of the Target Company.

The Tender Offeror and the Target Company have also agreed that the president and the chief executive officer of the Target Company will attend the Tender Offeror's Management Committee and take part in the Tender Offeror Group's management after the completion of the Transaction.

(d) Regarding the Employment and Treatment Policy of Employees

The Tender Offeror started efforts to change the working style of its employees in 2012 when the term "working style reforms" was not yet commonly used, in order to ensure their health as the initial step to

reinforce its human capital foundation. Back then, the IT industry was said to be a typical labor-intensive industry whose business structure forced IT engineers to work long hours to contribute to revenue increase of their company, and thus long working hours had become the norm. In 2013, the Tender Offeror worked hard to reduce the average overtime hours per month of all employees to less than 20 and enable them to take all the 20 days of paid leave. In 2015, the Tender Offeror shifted dramatically toward management truly valuing its employees under the Health and productivity management philosophy, stipulating in its work rules "The health of each employee serves as a foundation for the well-being of individuals and their families and business development. We believe we can provide the best service that pleases and impresses customers, only when our employees keep their physical and mental health in good shape, find their jobs rewarding, and achieve their best possible performance." The Tender Offeror has continued to pursue an advanced working style reform to help employees make the most of their capabilities and undertake highly productive and innovative tasks, by introducing various measures to improve the health of executives and employees.

Today, the Tender Offeror has gone beyond the Health and Productivity Management and brought its management stage to the next level of pursuing a "rewarding workplace" not just a "pleasant workplace" and engages in Well-Being management with the aim of developing into a company at which employees contribute to society through value creation and feel rewarded at work.

In its Medium-Term Management Plan as well, the Tender Offeror adopts a policy of "maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of SCSK Group." What is intended here is that the Tender Offeror always chooses businesses and projects that it believes will help enhance employees' capabilities, and prepares a workplace and an environment where they can grow, and always chooses and builds business areas and models in which they can make the most of their capabilities. Simultaneously, the Tender Offeror prepares a system that evaluates and treats appropriately the market value of employees enhanced by this policy.

Regarding the employment and treatment of employees, the Tender Offeror aims to help employees feel rewarded and improve their performance through new value creation backed by the autonomous growth of each employee at both companies and co-creation with customers, partners, and the society. It hopes to increase its presence and market value by contributing to society in a way that can only be made possible through the business integration, and taking a lead in solving social issues, which then results in a further improvement in employee treatment and highest-level rewards for employees. The Tender Offeror seeks to become such a top-tier company that spearheads the IT services industry.]

Furthermore, under the Business Integration and Tender Offer Agreement, the Tender Offeror and the Target Company have agreed that, (i) for 3 years after the commencement of the settlement for the Tender Offer, the Tender Offeror shall cause the Target Company Group to maintain, in general, the employment of the employees who are employed by the Target Company Group as of the settlement commencement date of the Tender Offer under employment terms that are not substantially lower than those prevailing on the settlement commencement date in totality, (ii) the Tender Offeror shall respect the existing initiatives of the Target Company Group towards the achievement of the work - life balance for their employees, flexible working style of their employees through the use of telework system and work patterns such as flex-time system, time select system and variable working hours system etc., and existing methods and results of the personnel evaluation system in the Target Company Group to the maximum extent, and when the Tender Offeror hopes to change any of these after the completion of the settlement for the Tender Offer, both parties (referring to the Tender Offeror and the Target Company; hereinafter the same) shall discuss and consider such changes in good faith, (iii) in the event of the merger between both parties, based on the spirit of equality, both parties should assign competent personnel to key positions of the integrated new company regardless of his/her original organization and; (iv) both parties shall establish a study team consisting of persons from each party and shall discuss and consider in good faith the unification of the employment terms and conditions resulting from the merger between both parties, and both parties, in such consideration, shall respect their existing employment terms and conditions respectively to the maximum extent possible and make their commercially reasonable best

efforts to make the post-unification employment terms and conditions more preferable for employees of both parties.

(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc.

As of today, the Target Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, it is not planned that all or part of the Target Company's management will directly or indirectly invest in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a so-called management buyout (MBO) (Note 1). However, considering that the Tender Offeror and the Target Company intend to make the Target Company a wholly-owned subsidiary of the Tender Offeror through the Transaction, the Tender Offeror and the Target Company have taken the following measures to ensure the fairness of the terms of the Transaction, including the Tender Offer Price and Purchase Price for Share Option, and to eliminate arbitrariness in the decision making process leading to the decision to conduct the Tender Offer. Among the descriptions below, the measures implemented by the Target Company are based on explanations received from the Target Company.

(Note 1) Management buyout (MBO) refers to a transaction in which a tender offeror makes a tender offer based on an agreement with the target company's directors and shares interests with the directors.

(I) Obtaining of a share valuation report from an independent third-party valuation institution by the Tender Offeror

In determining the Tender Offer Price, the Tender Offeror requested Daiwa Securities, its financial advisor, to calculate the value of the Target Company's shares as a third-party valuation institution independent of the Tender Offeror and the Target Company and obtained a share valuation report dated November 5, 2024 (the Share Valuation Report (Daiwa Securities)). Daiwa Securities is not a related party of the Tender Offeror or the Target Company and has no material interest in the Tender Offer. In addition, since the Tender Offeror believes that sufficient consideration has been given to the interests of the Target Company's minority shareholders, taking into account other measures implemented in connection with the Transaction to ensure the fairness of the Tender Offer Price , the Tender Offeror has not obtained a written opinion from Daiwa Securities regarding the fairness of the Tender Offer Price (Fairness Opinion). In addition, Daiwa Securities' remuneration for the Transaction includes a portion of contingency fee payable upon completion of the Transaction. However, taking into account the general business practices for similar transactions and the pros and cons of a remuneration system that would result in the Tender Offeror incurring a significant financial burden in the event that the transaction is not completed, the Tender Offeror has determined that Daiwa Securities does not have a material interest in the success or failure of the transaction that differs from that of the minority shareholders of the Target Company, and that its independence is not compromised by the inclusion of a contingency fee that is paid on the condition that the Transaction is completed.

For an overview of the Share Valuation Report (Daiwa Securities), please refer to "(I) Basis of Calculation" and "(II) Background of Calculation" under "(4) Basis for Calculation of the Tender Offer Price." in "2. Outline of Purchase, etc." below.

(II) Obtainment by the Target Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution

According to the Target Company's Press Release, the Target Company has engaged Mitsubishi UFJ Morgan Stanley Securities, a financial advisor and third-party valuation firm independent of Partner Candidates, including the Tender Offeror, and the Target Company, to calculate the value of the Target Company Shares as stated in "(i) Name of the Valuation Institution and its Relationship

with the Target Company and the Tender Offeror" of "(4) Matters Concerning Valuation" in "(II) Decision-making Process Leading to and Grounds for the Affirmative Opinion for the Tender Offer by the Target Company" under "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above and received the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) on November 5, 2024. For a summary of the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), please refer to "(ii) Outline of Valuation" of "(4) Matters Concerning Valuation" in "(II) Decision-making Process Leading to and Grounds for the Affirmative Opinion for the Tender Offer by the Target Company" under"(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above.

Mitsubishi UFJ Morgan Stanley Securities does not fall under a related party of a Partner Candidate, including the Tender Offeror, or the Target Company and does not have a material interest in the Transaction, including the Tender Offer. In addition, Mitsubishi UFJ Morgan Stanley Securities is a company which has the same parent company as MUFG Bank, Ltd. ("MUFG Bank"), and MUFG Bank conducts loan transactions with the Target Company as part of ordinary banking transactions. According to Mitsubishi UFJ Morgan Stanley Securities, however, in accordance with applicable laws and regulations, such as Article 36, Paragraph 2 of the Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007, as amended), as measures to prevent adverse effects, appropriate conflict of interest management systems, such as information barrier measures to strictly manage the Target Company's information, have been established and implemented between, and within each of, Mitsubishi UFJ Morgan Stanley Securities as a financial advisor and MUFG Bank. Therefore, Mitsubishi UFJ Morgan Stanley Securities provides services as a financial advisor without being affected by the judgment of MUFG Bank and calculated the share value of the Target Company Shares from an independent standpoint. Considering that a strict information management system has been established in respect of the information management between, and within each of, Mitsubishi UFJ Morgan Stanley Securities and MUFG Bank, the Target Company appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation institution independent from the Partner Candidates, including the Tender Offeror, and the Target Company. The Special Committee confirmed that there were no issues with the independence of Mitsubishi UFJ Morgan Stanley Securities and approved it as the financial advisor and third-party valuation institution for the Target Company. The Target Company did not obtain an opinion from Mitsubishi UFJ Morgan Stanley Securities regarding the fairness of the Tender Offer Price (a fairness opinion), because the Target Company determined that sufficient consideration has been given to the interests of the Target Company's minority shareholders, taking into account other measures implemented in connection with the Transaction to ensure the fairness of the Tender Offer Price.

The remuneration to Mitsubishi UFJ Morgan Stanley Securities includes a contingency fee payable upon completion of the Transaction. The Target Company has determined that the independence of Mitsubishi UFJ Morgan Stanley Securities is not compromised by the inclusion of a contingency fee to be paid upon completion of the Tender Offer, taking into account the general business practices for similar transactions and the pros and cons of a remuneration system that would result in the Target Company incurring a significant financial burden in the event that the transaction is not completed. On the basis of this judgement, the Target Company appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation institution based on the above remuneration structure.

(III) Obtaining of Advice from an Independent Legal Advisor by the Target Company

According to the Target Company's Press Release, as stated in "(2) Consideration and Negotiation Processes" under" (II) Decision-making Process Leading to and Grounds for the Affirmative Opinion for the Tender Offer by the Target Company" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the

Tender Offer," above, the Target Company has appointed Nagashima Ohno & Tsunematsu as its legal advisor, which is independent of the Partner Candidates including the Tender Offeror and the Target Company, and has received legal advice, including advice on the measures to be taken to ensure the fairness of the procedures for the Transaction, the various procedures for the Transaction, and the method and process of the Target Company's decision-making regarding the Transaction.

Nagashima Ohno & Tsunematsu does not fall under a related party of a Partner Candidate, including the Tender Offeror, or the Target Company and does not have a material interest in the Transaction, including the Tender Offer. The Special Committee confirmed that there were no issues with the independence of Nagashima Ohno & Tsunematsu and approved them as legal advisers to the Target Company. In addition, the remuneration to Nagashima Ohno & Tsunematsu does not include any contingency fee that would be paid on the condition that the Transaction is completed.

(IV) Establishing of an Independent Special Committee and Obtaining a Report of its Findings by the Target Company

According to the Target Company's Press Release, the Target Company established the Special Committee and obtained the report of its findings in the following manner.

(1) Background to the Establishment of the Special Committee, etc.

As described in "(1)Process of Creating a Consideration Structure" under "(II) Decision-making Process Leading to and Grounds for the Affirmative Opinion for the Tender Offer by the Target Company" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer," above, the Target Company, by resolution at a meeting of the board of directors held on February 28, 2023, established a Special Committee consisting of three members: Ms. Maya Ito (Outside Executive Director of the Target Company), Mr. Kazuhiro Noguchi Outside Executive Director and Full-time Member of the Audit & Supervisory Committee) and Mr. Masayoshi Wada (Outside Executive Director of the Target Company), who are independent of the Target Company and the Tender Offeror. Ms. Maya Ito has been elected the chairperson of this Special Committee by mutual vote of the members of this Special Committee. The membership of the Special Committee has not changed since its establishment. In addition, the remuneration of the members of the Special Committee is to be paid as remuneration for their duties, irrespective of the content of the Report, as a fixed amount and does not include any contingency fee contingent upon the completion of the Transaction.

As described in "(1) Process of Creating a Consideration Structure" under "(ii) Decision-making process Leading to and Grounds for the Affirmative Opinion for the Tender Offer by the Target Company" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, pursuant to the resolution of the Target Company's board of directors, the Special Committee was established and the Target Company sought advice from the Special Committee about the Advisory Matters. In addition, in establishing the Special Committee, the Target Company's board of directors resolved that its decisions should be made by respecting the opinion of the Special Committee to a maximum extent. The Target Company's board of directors resolved that (i) with regard to the negotiation between the Target Company and Partner Candidates, the Target Company will create a situation in which the Special Committee can substantially influence the negotiation process of transaction terms by confirming directions in advance, receiving timely reports on the situation, stating opinions in crucial phases, and giving instructions or requests, (ii) the Special Committee will be granted the authority to appoint its own advisor at the cost of the Target Company or approve an advisor selected by the Target Company (including after-the-fact approval) and to receive expert advice from such advisors as necessary in evaluating and reaching conclusions on the Advisory Matters, (iii) the Special Committee will be granted the authority to collect or receive from the Target Company executives and employees or advisors any information necessary for evaluating and reaching conclusions on the Advisory

Matters.

(2) Background to the Consideration of the Special Committee

The Special Committee was held fourteen times for a total of approximately 13 hours between February 28, 2024 and November 5, 2024 and also performed its duties in relation to consultation matters by frequently reporting and exchanging information, deliberating and making decisions, etc. via email and web conferencing, etc. between meetings.

In particular, the Special Committee has confirmed that there are no issues as to the independence or expertise of Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub, and has approved each of them as the Target Company's financial advisor and third-party valuation institution, legal advisor and strategic advisor, respectively. Furthermore, the Special Committee has also confirmed that it will seek expert advice from Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub as necessary.

In considering the Advisory Matters, the Special Committee received explanations from the Target Company regarding the content of discussions with the Partner Candidates, including the status of evaluation and consideration of the content of the proposal from the Partner Candidates, and conducted question and answer sessions on these points, and also asked questions of the Target Company regarding its management policies, etc., the status of evaluation and consideration of going private and delisting, and the status of evaluation and consideration of the Transaction, and received answers from the Target Company.

In addition, the Special Committee received explanations from Mitsubishi UFJ Morgan Stanley Securities, the financial advisor to the Target Company and the third-party valuation institution, on the details and progress of the Transaction, the details of the evaluation of the Target Company Shares and the status of discussions and negotiations with the Partner Candidates and held question and answer sessions on these matters.

Furthermore, the Special Committee, on the basis of financial advice received from Mitsubishi UFJ Morgan Stanley Securities, confirmed the reasonableness of the contents of the Target Company's Business Plans, its major assumptions and the process for its preparation, etc., and then approved the disclosure of the Business Plans to Partner Candidates.

Moreover, the Special Committee heard the opinion of Mitsubishi UFJ Morgan Stanley Securities on the negotiation policy between the Target Company and the Tender Offeror, and after deliberation and examination of the matter based on the advice from a financial perspective received from Mitsubishi UFJ Morgan Stanley Securities, confirmed the Target Company's negotiation policy.

(3) Details of the decision

Under the circumstances set out above, the Special Committee submitted the Report, an outline of which is set out below, to the Target Company' board of directors with the unanimous agreement of its members as of November 5, 2024, as a result of multiple and deliberate discussions and deliberations about the Advisory Matters, based on the legal advice from Nagashima, Ohno & Tsunematsu, advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, and the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) submitted as of the same date.

(a) Details of the Report

i. The purpose of the Transaction is considered to be reasonable, and the Transaction is considered to contribute to the enhancement of the corporate value of the Target Company.

ii. The terms and conditions of the Transaction (including the method of implementation of the Transaction (the method by which the Squeeze-Out Procedures will be implemented after the completion of the Tender Offer if the

Tender Offeror is unable to acquire all of the Target Company Shares (including common shares of the Target Company to be delivered upon exercise of the Share Options but excluding the treasury shares owned by the Target Company) and all of the Share Options through the Tender Offer) and the type of consideration for the Transaction) are considered to be appropriate.

iii. The procedures for the Transaction (including the process of selecting the Partner Candidates) are considered to be fair.

iv. The Transaction is not considered to be disadvantageous to the Target Company's general shareholders (for the avoidance of doubt, the "general shareholders" here include "Minority Shareholders" as defined in the Securities Listing Regulations of the Tokyo Stock Exchange) in light of i through iii. Therefore, it is appropriate for the Target Company's board of directors to accept the Squeeze-Out Procedures, which is a part of the Transaction.

v. It is appropriate for the Target Company's board of directors to pass each of the following resolutions; to (a) express an opinion in support of the Tender Offer, (b) recommend that the Target Company's shareholders tender in the Tender Offer, (c) recommend that the owners of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Target Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (d) leave the decision to the Share Option Holders as to whether or not to tender.

(b) Reasons for the decision

i. Reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the corporate value of the Target Company)

The Special Committee believes that the explanation about the significance and purpose of the Transaction, provided by the management members of the Tender Offeror and the Target Company is reasonable. In addition, the explanations by the Tender Offeror's and the Target Company's respective management teams regarding the synergistic effects and benefits of the Transaction are considered to be reasonable, and there seems to be no concrete possibility that the Transaction will cause disadvantages that would clearly outweigh the expected benefits. Further, there is nothing particularly unreasonable regarding the method of making the Target Company a wholly-owned subsidiary of the Tender Offeror as a method of business integration, and from the perspective of comparing with the enhancement of corporate value through the stand-alone management option, it is considered reasonable to evaluate that the implementation of the Transaction will exceed it both from quantitative and qualitative aspects..

Based on the above, the Special Committee carefully deliberated and examined the Transaction, and concluded that the purpose of the Transaction has legitimacy and reasonableness, and that the Transaction will contribute to the enhancement of the corporate value of the Target Company.

ii. Appropriateness of the terms and conditions of the Transaction (including the method of implementation of the Transaction (the method by which the Squeeze-Out Procedures will be implemented after the completion of the Tender Offer if the Tender Offeror is unable to acquire all of the Target Company Shares (including common shares of the Target Company to be delivered upon exercise of the Share Options but excluding the treasury shares owned by the Target Company) and all of the Share Options through the Tender Offer) and the type of consideration for the Transaction)

It is recognized that (i) the terms and conditions of the Transaction, including the Tender Offer Price, were obtained through the implementation of the Process described in "(VI) Execution of the

Process" below, and (ii) as a result of the Target Company having secured an opportunity to receive proposals from several Partner Candidates for the enhancement of its corporate value, there were no candidates which proposed more advantageous terms and conditions to the Target Company's shareholders and the Share Option Holders (including the terms and conditions proposed in the First-Round Process) as compared to the proposal offered by the Tender Offeror.

It is recognized that, through the implementation of the measures to ensure fairness, such as the establishment of the Special Committee and its involvement and obtainment of expert advice from outside experts, a situation was secured in the process of forming the terms and conditions of the Transaction such that reasonable efforts were made on an arm's length basis to ensure that the Transaction would be conducted on terms as advantageous to the general shareholders as possible, while enhancing the corporate value of the Target Company. It is also recognized that the Tender Offer Price was determined based on the results of negotiations that, under such situation, the Target Company seriously engaged in with the Tender Offeror in order for the Transaction to be conducted on terms as advantageous to the general shareholders as possible.

As for the Tender Offer Price, (i) it is exceeds the range of the valuation results calculated by the market price analysis; (ii) it exceeds the range of the valuation results calculated by the comparable company comparison analysis; (iii) it is within the range of the valuation results based on the DCF Analysis and exceeds the midpoint of such range; (iv) while the premium level of the Tender Offer Price cannot necessarily be said to be high when compared with other similar cases, as the median premium levels for the 109 cases of tender offers (cases of tender offers with the premise of delisting, where the price-to-book ratio of the target company before the transaction was one or more; excluding tender offers for treasury shares, so-called discounted tender offers and tender offers which were not completed by the last day of September, 2024 when the negotiation began) announced on or after June 28, 2019, when the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines, were 40.13% of the closing price on the business day before the announcement, 39.80% of the simple average of closing prices over the period of one month prior to the business day before the announcement, 41.66% of the simple average of closing prices over the period of three months prior to the business day before the announcement, and 42.62% of the simple average of closing prices for the period of six months prior to the business day before the announcement, considering that the share price of the Target Company Shares is in an upward phase and has recently been volatile, recording the highest price since the beginning of the year in terms of closing price three business days before the announcement, it is more appropriate to consider the share prices of the Target Company Shares over a longer period of time than to consider only the most recent share prices of the Target Company Shares, and thus the premium level of the Tender Offer Price cannot be said to be unreasonable when compared with the premium levels of other cases of tender offers; (v)the Tender Offer Price can be said to be a price with a reasonable premium in light of the most recent other cases of tender offers, since the number of cases in which the premium level is relatively low has increased in the cases of successful tender offers in 2024 against the backdrop of the recent rise in the Nikkei Stock Average, and cases with a premium of less than 40% accounted for about 50%, and cases with a premium of less than 30% accounted for 20% to 30%, of the cases of successful tender offer cases in 2024; and (vi) the Tender Offer Price is above 3,970 yen, which is the highest closing price of the shares of the Target Company in the last three years, and 4,010 yen, which is the highest price during trading sessions in the last three years. In addition, given, among other things, that the Share Options have been issued as stock options to the executives and employees of the Target Company and its subsidiaries, it cannot be said to be unreasonable to set the Purchase Price for Share Options at one yen, and further, there is nothing unreasonable in terms of the treatment of the American Depositary Receipts and the American Depositary Shares or in terms of the tender offer price per share of the Target Company Shares related to the American Depositary Shares represented by the American Depositary Receipts.

The Transaction is to be carried out in two steps: in the first step, the Tender Offeror will conduct

the Tender Offer by setting a minimum number of shares to be purchased at the number of shares which will result in the Tender Offeror's holding of two-thirds or more of the total number of voting rights of the Target Company when acquired; and in the second step, the Tender Offeror will implement the Squeeze-Out Procedures through the Demand for Share, etc., Cash-out or the Share Consolidation method. Such scheme is a method commonly used to delist a listed company, and shareholders of the Target Company who are not satisfied with the Tender Offer Price can file a petition with the court for determination of the price after requesting the purchase of their shares.

Further, it is scheduled to be disclosed that (i) the Squeeze-Out Procedures will be conducted promptly after the completion of the Tender Offer, and (ii) the amount of money to be delivered to the Target Company's general shareholders in the Squeeze-Out Procedures is planned to be equal to the Tender Offer Price.

In addition, the cash consideration for the Tender Offer has low risk in terms of value fluctuation, is highly liquid and, in addition, is relatively easy to evaluate when shareholders determine whether to tender their shares in the Tender Offer. Therefore, such cash consideration can be considered to be appropriate from the perspective of shareholder protection.

Based on the foregoing, the method of implementation of the Transaction and the consideration for the Transaction is not considered to be disadvantageous to the Target Company's general shareholders.

iii. The fairness of the procedures for the Transaction (including the process of selecting the Partner Candidates)

Based on the Fair M&A Guidelines, (i) the Target Company has established the Special Committee which fulfills the role that a special committee is supposed to serve according to the Fair M&A Guidelines, (ii) the Target Company has obtained, among others, expert advice from outside experts, (iii) measures have been taken to ensure the opportunity for other offerors to conduct a tender offer for the Target Company Shares, (iv) in the Target Company's Press Release, sufficient disclosure, including disclosure of important information that will help general shareholders make judgments about the appropriateness of the terms of the transaction is expected to be made, and it is recognized that sufficient information is being provided to general shareholders, and (v) it is recognized that measures are being taken to eliminate coercion against the Target Company's general shareholders in relation to the Transaction. Considering the above, it is recognized, with respect to the Transaction, from the perspectives of (a) securing a situation in the process of determining the terms and conditions of the Transaction where reasonable efforts would made on an arm's length basis to ensure that the Transaction would be conducted on terms as advantageous to the general shareholders as possible, while enhancing the corporate value of the Target Company, and (b) securing an opportunity for the general shareholders to make appropriate decisions based on sufficient information (see 2.4 of the Fair M&A Guidelines), it is recognized that the measures to secure fairness were adopted with substance necessary and sufficient for the Transaction, and such measures to secure fairness are actually being implemented effectively.

Therefore, fairness is recognized in the negotiations and decision-making processes of the Transaction.

iv. Whether the Transaction is not disadvantageous to the Target Company's general shareholders in light of i through iii

The Special Committee concluded that the purpose of the Transaction is legitimate and reasonable , that the Transaction will contribute to the enhancement of the corporate value of the Target Company, that, with respect to the entire Transaction, including the Tender Offer, the appropriateness of the Tender Offer Price and other terms and conditions of the Transaction, has been ensured for the Target Company's general shareholders, and that sufficient consideration has been given to the interests of the Target Company's general shareholders through fair procedures.

Therefore, it is recognized that the Transaction is not disadvantageous to the Target Company's

general shareholders.

v. The propriety for the Target Company's board of directors, in the event that the Transaction involves a tender offer for the Target Company Shares, the Share Options, and the American Depositary Receipts, to (x) express an opinion in support of the Tender Offer, (y) recommend that the Target Company's shareholders and the Share Option Holders tender in the Tender Offer; and (z) recommend that the owners of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Target Company Shares related to the American Depositary Shares represented by their American Depositary Receipts

It is recognized that it is appropriate for the Target Company's board of directors to pass each resolution to, (a) express an opinion in support of the Tender Offer, (b) recommend that the Target Company's shareholders tender in the Tender Offer, (c) recommend that the owners of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Target Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (d) leave the decision to the Share Option Holders as to whether or not to tender in the Tender Offer.

(V) Approval of All Disinterested Directors (Including Members of the Audit & Supervisory Committee) of the Target Company

According to the Target Company's Press Release, the Target Company's board of directors, as set out in "(II) Background, Purpose, and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, carefully discussed and considered whether the Transaction, including the Tender Offer, would contribute to enhancing the corporate value of the Target Company and whether the terms and conditions related to the Transaction including the Tender Offer Price were reasonable, based on the legal advice from Nagashima, Ohno & Tsunematsu, advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, and the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), while respecting the opinion of the Special Committee indicated in the Report to a maximum extent.

As a result, the Target Company, as set out in "(II) Background, Purpose, and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, decided that the Transaction, including the Tender Offer, would contribute to enhancing the corporate value of the Target Company and that the terms and conditions related to the Transaction including the Tender Offer Price were reasonable, and at the Target Company's board of directors meeting held today, resolved to the effect that it would express its opinion in favor of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer, that it would recommend that the owners of the American Depositary Receipts tender in the Tender Offer by surrendering their American Depositary Receipts to the Depositary Bank in advance and receiving delivery of the Target Company Shares related to such American Depositary Shares represented by the American Depositary Receipts, and that it would leave to the Share Option Holders the decision as to whether to tender in the Tender Offer, with the unanimous agreement of disinterested directors of the Target Company (including Members of the Audit & Supervisory Committee) who took part in the deliberations and the resolution (unanimous agreement of all of the nine directors of the Target Company).

(VI) Execution of the Process

According to the Target Company's Press Release, as set out in "(2) Consideration and Negotiation Processes" in "(II) Background, Purpose, and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, the Target Company executed the First Process for three companies, the Partner Candidates, starting on February 29, 2024, and later offered due diligence opportunities to two companies including the Tender Offeror among the Partner Candidates from late July 2024 to mid-September 2024, and the Target Company received a legally binding final proposal from only the Tender Offeror, out of the two Partner Candidates, and consequently decided to hold final negotiations with the Tender Offeror toward the execution of the Transaction. The Target Company and the Tender Offeror then continued to hold a series of negotiations, and the Target Company in the end received a proposal from the Tender Offeror of setting the Tender Offer Price at 4,500 yen and the Share Option Price at one yen. Including the proposal received in the First Process, there were no candidates that had offered more advantageous terms and conditions to the shareholders of the Target Company and the Share Option Holders compared to the proposal made by the Tender Offeror. As such, the Target Company executed the Process and ensured the opportunity to receive proposals for enhancing the corporate value of the Target Company from several Partner Candidates.

(VII) Measures to Secure Acquisition Opportunities from Others

The Tender Offeror has not entered into any agreements with the Target Company that include deal protection clauses prohibiting the Target Company from contacting persons proposing competing offers or other agreements that would restrict persons proposing competing offers from contacting the Target Company.

In addition, the Tender Offeror has set the Tender Offer Period to 30 business days, while the statutory minimum period is 20 business days. The Tender Company intends to ensure the fairness of the Tender Offer by setting such a relatively extended Tender Offer Period and enabling the Target Company's shareholders to have appropriate opportunities to decide whether to tender their shares.

Furthermore, according to the Target Company's Press Release, as set out in "(VI) Execution of the Process" above, the Target Company decided to implement the Transaction with the Tender Offeror after offering the opportunity to several Partner Candidates including the Tender Offeror to make proposals through the execution of the Process. It can thus be said that it was decided that the Transaction would be implemented after opportunities were actively created for parties other than the Tender Offeror to purchase or conduct other transactions regarding the Target Company Shares and the Share Options.

It is therefore considered that sufficient opportunities were secured for parties other than the Tender Offeror to purchase, etc. the Target Company Shares.

(VIII) Measures to ensure opportunities for the Target Company's shareholders to appropriately decide whether or not to accept the Tender Offer

As described in "(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" below, the Tender Offeror plans to apply the Squeeze-Out Procedure to adopt a method of ultimately delivering money to the Target Company's shareholders who do not tender their shares in the Tender Offer (excluding the Target Company). In that case, the amount of money paid to each such shareholder will be calculated to be equal to the Tender Offer Price multiplied by the number of Target Company's Shares held by each such shareholder. Thus, the Tender Offeror has ensured that the Target Company's shareholders have opportunities to appropriately decide whether or not to tender their shares in the Tender Offer and that the Squeeze-Out Procedure does not create coercive effects. In addition, as described in "(VII) Measures to Secure Acquisition

Opportunities from Others", since the Tender Offeror has set the Tender Offer Period to 30 business days, the relatively extended Tender Offer Period ensures that the Target Company's shareholders have appropriate opportunities to decide whether to accept the Tender Offer.

(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)

As described in "(1) Outline of the Tender Offer" above, the Tender Offeror is implementing the Tender Offer as part of its goal of making the Target Company a wholly-owned subsidiary. If the Tender Offeror is unable to acquire all of the Target Company Shares (including common shares of the Target Company to be delivered as a result of the exercise of the Share Options, and excluding the treasury shares held by the Target Company) and all of the Share Options through the Tender Offer, the Tender Offeror plans to implement the Squeeze-Out Procedures described below after the completion of the Tender Offer. In addition, under the Business Integration and Tender Offer Agreement, in the time between the expiration of the Tender Offer Period and the Squeeze-Out Effective Date, the Target Company has agreed to make commercially reasonable efforts in order to execute procedures related to the Share Options reasonably required for the execution of the Transaction, such as acquiring and canceling Share Options or recommending that the Share Option holders waive their Share Options.

(I) Demand for Share Cash-out

If the total voting rights in the Target Company owned by the Tender Offeror reach 90% or more of the total voting rights of all shareholders of the Target Company as a result of the successful completion of the Tender Offer and the Tender Offeror becomes a special controlling shareholder as provided for in Article 179, Paragraph 1 of the Companies Act, the Tender Offeror will, promptly after the completion of the settlement of the Tender Offer, pursuant to the provisions of Part II, Chapter 2, Section 4-2 of the Companies Act, demand that all shareholders of the Target Company (excluding the Tender Offeror and the Target Company) (the "Selling Shareholders") sell all of their Target Company Shares (the "Demand for Share Cash-out"). In the Demand for Share Cash-out, it is planned to stipulate that an amount equal to the Tender Offer Price will be paid to the Selling Shareholders as consideration per Target Company Share. In this case, the Tender Offeror intends to notify the Target Company accordingly and seek the Target Company's approval for the Demand for Share Cash-out. If the Target Company approves the Demand for Share Cash-out by a resolution of its board of directors, the Tender Offeror will, under the procedures prescribed by relevant laws and regulations and without requiring individual consents of the Selling Shareholders , acquire all of the Target Company Shares held by all Selling Shareholders as of the acquisition date specified in the Demand for Share Cash-out. In this case, the Tender Offeror will pay to each Selling Shareholder an amount equal to the Tender Offer Price as consideration for each Target Company Share held by that Selling Shareholder . According to the Target Company's Press Release, if the Target Company receives notice from the Tender Offeror of its intention to conduct the Demand for Share Cash-out and of the matters described in each item of Article 179-2, Paragraph 1 of the Companies Act, the Target Company plans to approve the Demand for Share Cash-out. at its board of directors.

The Target Company Shares subject to the Demand for Share Cash-out include those represented by the American Depositary Receipts and held by the Depositary Bank. Therefore, if the above approval is granted, the Depositary Bank will be paid an amount equal to the Tender Offer Price multiplied by the number of such Target Company Shares. In this event, according to the American Depositary Receipts Notifications, the Depositary Bank may release the American Depositary Receipts pursuant to the terms contained therein and pay to each American Depositary Receipt holder an amount equal to the money received by the Depositary Bank converted into U.S. dollars (rounded to the nearest cent) minus the Depositary Bank's fees and taxes in accordance with the number of American Depositary Shares represented by the American Depositary Receipts held by such holder.

As a provision of the Companies Act aimed at protecting the rights of general shareholders about

demands for share cash-out, Article 179-8 of the Companies Act and other relevant laws and regulations stipulate that Selling Shareholders may file a petition to courts for determination of the selling prices of their owned Target Company Shares. If such petitions are filed, the selling prices of the Target Company Shares will ultimately be determined by the courts.

If American Depositary Receipt holders intend to file price determination petitions, they will be required to surrender their American Depositary Receipts to the Depositary Bank, to receive the Target Company Shares that are deposited at the Depositary Bank, and then to file price determination petitions under Article 179-8 of the Companies Act and other applicable laws and regulations.

(II) Share Consolidation

If, after the successful completion of the Tender Offer, the total number of voting rights in the Target Company held by the Tender Offeror is less than 90% of the voting rights held by all shareholders of the Target Company, the Tender Offeror will promptly request the Target Company to hold an extraordinary Shareholders' meeting (the "Extraordinary Shareholders' Meeting") under Article 180 of the Companies Act, which will include among its agenda the consolidation of the Target Company Shares (the "Share Consolidation") and a partial amendment to the Target Company's Articles of Incorporation to abolish the provisions on share unit numbers conditional on the Share Consolidation taking effect and the Tender Offeror intends to vote in favor of the above proposals at the Extraordinary Shareholders' Meeting. As of today, the Extraordinary Shareholders' Meeting is scheduled to be held in late February 2025. The Tender Offeror plans to approve the above proposals at the Extraordinary Shareholders' Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, all Target Company's shareholders will then hold Target Company Shares in proportion to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting on the day when the Share Consolidation occurs. If the Share Consolidation results in fractional shares, all Target Company's shareholders who have such fractional shares will be paid cash obtained by selling the Target Company Share(s) equivalent to the total number of such fractional shares (if the total number includes a fraction of less than one share, the faction will be rounded down. The same applies hereafter.) to the Target Company or the Tender Offeror or by other methods in accordance with the procedures set out in Article 235 of the Companies Act and other relevant laws and regulations. Regarding the sale price of the Target Company Share(s) equivalent to the total number of such fractions, the Tender Offeror plans to request the Target Company to calculate the money to be paid as a result of the sale to the Target Company's shareholders (excluding the Target Company) who do not tender their shares in the Tender Offer to be equal to the Tender Offer Price multiplied by the number of Target Company Shares held by such shareholders upon filing a petition with the courts for permission to voluntarily sell those fractional shares. In addition, although the consolidation ratio of the Target Company Shares has not been determined as of today, the Tender Offeror plans to request the Target Company to determine the consolidation ratio so that the number of Target Company Share(s) held by the Target Company's shareholders (excluding the Target Company) who do not tender their shares in the Tender Offer will become less than one share and that the Tender Offeror will own all of the Target Company Share(s) (including the Target Company's common shares to be delivered upon exercise of the Share Options, but excluding the treasury shares held by the Target Company). According to the Target Company's Press Release, if the Tender Offer is successful, the Target Company intends to comply with the Tender Offeror's requests.

The Target Company Shares subject to the Share Consolidation include the Target Company Shares represented by American Depositary Receipts and held by the Depositary Bank. Therefore, if the above decision is made, the number of Target Company Shares held by the Depositary Bank after the Share Consolidation is also expected to be less than one share and fractional. In this event, according to the American Depositary Receipts Notifications, the Depositary Bank may release American Depositary Receipts pursuant to the terms contained therein and pay to each American Depositary Receipt holder an amount equal to money received by the Depositary Bank converted into U.S. dollars (rounded to the

nearest cent) minus the Depositary Bank's fees and taxes in accordance with the number of American Depositary Shares represented by the American Depositary Receipts held by such holder.

The Companies Act provides that, to protect the rights of general shareholders concerning Share Consolidation, if Share Consolidation results in fractional shares, the Target Company's shareholders (excluding Company's the Target Company) may request the Target Company to purchase all fractional shares in their owned shares at a fair price and may file petitions with the courts for a determination of the price of the Target Company Share(s) under Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations.

As described above, due to the Share Consolidation, the number of Target Company Share(s) held by the Target Company's shareholders who do not tender their shares in the Tender Offer (excluding the Target Company) is expected to be less than one share. Therefore, the Target Company's shareholders (excluding the Target Company) who oppose the Share Consolidation are expected to be able to file the petitions mentioned above. If the above petitions are filed, the purchase price of the Target Company Share(s) will ultimately be determined by the courts. If American Depositary Receipt holders wish to request the Target Company to purchase their fractional shares or file petitions for price determination, they are required to surrender their owned American Depositary Receipts to the Depositary Bank, receive the Target Company Shares that are deposited at the Depositary Bank, and then request the Target Company to purchase their fractional shares or file petitions for price determination under Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations.

Please note that the Tender Offer does not solicit the approval of the Target Company's shareholders at the Extraordinary Shareholders' Meeting.

The procedures for the Demand for Share Cash-out and the Share Consolidation described above may be subject to changes in the methods and timings of implementation depending on the status of amendments, enforcement, and interpretations by authorities about the relevant laws and regulations. However, even in that case, the Target Company's shareholders who do not tender their shares in the Tender Offer (excluding the Target Company) will ultimately be paid money in exchange for their Target Company Shares and the money to be paid to each such shareholder will be calculated to be equal to the Tender Offer Price multiplied by the number of Target Company Shares held by that shareholder. In that case, the money to be delivered to the Depositary Bank in respect of the Target Company Shares represented by the American Depositary Receipts and held by the Depositary Bank will be calculated similarly. The American Depositary Receipt holders will receive from the Depositary Bank, in accordance with the number of American Depositary Receipts held by the owners and the deposit agreement, an amount equal to money received by the Depositary Bank converted into U.S. dollars (rounded to the nearest cent), minus the Depositary Bank's fees and taxes.

With regard to shares with restriction on transfer (the "Restricted Shares") of the Target Company granted to the executives and employees of the Target Company as restricted stock units, the restricted stock allotment agreement with the Target Company's directors and executive officers stipulates that if the effective date of the share consolidation specified in Article 180, Paragraph 2, Item 2 of the Companies Act or the date on which the special controlling shareholder acquires the Target Company Shares as specified in Article 179-2, Paragraph 1, Item 5 of the Companies Act (the "Squeeze-out Effective Date") arrive during the transfer restriction period, the Target Company will acquire all Restricted Shares without compensation immediately before the business day preceding the Squeeze-out Effective Date. In addition, with respect to the "Restricted Shares" granted to the employees of the Target Company, the transfer restriction period has already expired as of today and may be tendered in the Tender Offer. Therefore, the shares that are not tendered in the Tender Offer will be subject to demand for the sale of shares, etc. or stock consolidation.

(III) Acquisition and Cancellation of Share Options

After the consummation of the Tender Offer, if the Tender Offeror is unable to acquire all of the Share

Options in the Tender Offer and these Share Options remain unexercised, the Tender Offeror plans to request that the Target Company take or implement procedures reasonably necessary to execute the Transaction, such as acquiring and cancelling the Share Options or recommending that the Share Option holders waive their Share Options. The Target Company intends to cooperate with the Tender Offeror if it receives such request.

The Target Company will promptly announce specific procedures and implementation timings in the above cases once the details are decided upon in consultation with the Tender Offeror. The Target Company's shareholders are requested to confirm tax treatments with tax accountants or other professionals at their responsibilities when applying for the Tender Offer or in each of the above procedures.

(5) Prospects of Delisting and its Reasons

As of today, the Target Company Shares are listed on the Tokyo Stock Exchange Prime Market. However, since the Tender Offeror does not set a maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Target Company Shares may be delisted under the Tokyo Stock Exchange's delisting criteria after going through prescribed procedures. In addition, even if the Target Company Shares do not fall under the said criteria at the time of the completion of the Tender Offer, if the Squeeze-Out Procedures described in "(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" above are implemented after the completion of the Tender Offer, the Target Company Shares will fall under the Tokyo Stock Exchange's delisting criteria and be delisted after going through the prescribed procedures. After delisting, the Target Company Shares cannot be traded on the Tokyo Stock Exchange Prime Market.

The reasons for the delisting, its effects on minority shareholders, and the Target Company's thoughts about the effects are as stated in "(II) Decision-making Process Leading to and Grounds for the Affirmative Opinion for the Tender Offer by the Target Company" under "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above.

(6) Matters Concerning Important Agreements About the Tender Offer

The Tender Offeror and the Target Company entered into the Business Integration and Tender Offer Agreement concerning the Transaction dated today, which sets forth matters concerning cooperation between the Target Company and the Tender Offeror in the implementation of the Transaction and matters concerning their business integration. The outline of the Business Integration and Tender Offer Agreement is as follows:

(a) On the date of the execution of the Business Integration and Tender Offer Agreement, the Target Company will express and publicly announce its opinion to support the Tender Offer and to recommend all shareholders of the Target Company to tender their shares in the Tender Offer (the "Affirmative Opinion").

(b) The Business Integration and Tender Offer Agreement stipulates that: from the execution date of the Business Integration and Tender Offer Agreement until the expiration of the Tender Offer Period, (I) the Target Company shall not amend or revoke its resolution regarding the Affirmative Opinion without the prior written consent of the Tender Offeror, provided that (II) if (i)(x) a tender offer aimed at acquiring all of the Target Company Shares and the Share Options (the "Counter Tender Offer") is announced or commenced by a third party or (y) the Target Company receives a bona fide offer with feasibility related to a tender offer to acquire all of the Target Company Shares and the Share Options (the "Counteroffer") from a third party, (ii) the tender offer price of the Target Company Shares in the Counter Tender Offer or the Counteroffer exceeds the Tender Offer Price, and (iii) the Target Company's board of directors

reasonably determines, considering advices of outside lawyers, that failure to amend or revoke the resolution regarding the Affirmative Opinion to extents necessary depending on situations after the resolution of the Affirmative Opinion is likely to cause a breach of the fiduciary duty of the Target Company's directors, the Target Company shall notify the Tender Offeror as soon as practicable after such decision so that the Tender Offeror will have a reasonable opportunity to make a re-proposal related to the Tender Offer Price; and if the Tender Offeror does not make a re-proposal to amend the Tender Offer Price to a price exceeding the tender offer price for the Target Company Shares in the Counter Tender Offer or the Counteroffer within 5 business days after the notification, the Target Company may amend or revoke its resolution regarding the Affirmative Opinion without the prior written consent of the Tender Offeror.

(c) During the period from the execution date of the Business Integration and Tender Offer Agreement to the completion date of the Squeeze-Out Procedures, the Target Company is obligated, through itself or its subsidiaries, (I) to carry out and cause to be carried out business activities within the ordinary course of business, except for (i) those activities that are made in accordance with the express provisions of the Business Integration and Tender Offer Agreement, (ii) those matters that have been approved in advance by the Tender Offeror, and (iii) those matters whose execution has been disclosed to the Tender Offeror or its advisors before the execution date of the Business Integration and Tender Offer Agreement, and (II) not to make or cause to be made any money expenditures, except for (i) those activities that are carried out in accordance with the express provisions of the Business Integration and Tender Offer Agreement, (ii) those activities that are made in the ordinary course of business, (iii) those activities that have been included in its business plan presented to the Tender Offeror by the Target Company, and (iv) those activities that are objectively and reasonably determined to have only an insignificant impact on the investment decisions of the Tender Offeror.

(d) Regarding agreements that the Target Company Group has concluded, the Target Company is obligated (i) for material agreements, etc., that require the permission of other parties regarding the completion of the Tender Offer, to use its commercially reasonable best efforts to obtain such permission by the settlement commencement date for the Tender Offer, and (ii) for agreements that require prior notice to other parties regarding the completion of the Tender Offer, to provide such prior notice by the settlement commencement date for the Tender Offer.

(e) The Business Integration and Tender Offer Agreement stipulates that, (i) both parties shall respect existing corporate philosophy and corporate culture of both parties each other even after the completion of the settlement for the Tender Offer (including after the merger between both parties; the same applies hereafter) and if both parties get merged into the integrated new company after the Squeeze-Out Effective Date, both parties shall formulate new management philosophy and purpose after considering and discussing in good faith based on the spirit of equality, (ii) both parties shall start to cooperate for implementation of initiatives towards the integration of both parties' IT Infrastructure business and its operation and the realization of the effect of synergies promptly after the execution of the Transaction, aiming the continued and integrated growth of both parties in the system integration market and network integration market; specifically, both parties shall establish a cross-party organization named "Integration Promotion Task Team" (and its subcommittees for each theme), whose chief executives shall be the president of each party and whose persons in charge shall be elected from each party, as a subordinate organization of the Management Committee of each party and promote discussions to develop strategies and collaboration to maximize synergies between both parties after execution of the Transaction (such as development of an integrated service menu in the infrastructure business, reorganization of overlapping products and functions, cross-selling, etc.), and, for the purpose of promoting integration and fusion of both parties and strengthening and promoting collaboration between both parties, the president and CEO of the Target Company shall participate in the Management Committee of the Tender Offeror and up to three officers of the Target Company shall participate in the Management Committee of the Target Company after the execution of the Transaction, (iii) management members of both parties shall start considering the merger of both parties effective in April 2026

promptly after the execution of the Transaction, (iv) regarding the name of the Target Company after the completion of the settlement for the Tender Offer, its current name shall be maintained while the Target Company is a subsidiary of the Tender Offeror and the name of the integrated new company after the merger, in the event that both parties determine it is appropriate to merge both parties as a result of consideration and discussion between their management member, shall be "SCSK Net One Corporation" (tentative name) or other new name appropriate for the future vision that both parties wish to pursue, which shall be determined by mutual agreement between both parties after consideration and discussion in good faith, (v) before the execution of the merger between both parties, the composition and treatment of members of the management, other executive directors and executive officers of the Target Company after the settlement for the Tender Offer should be ultimately decided by the Tender Offeror , respecting the intention of the Target Company's management members after discussion between management members of both companies in good faith based on the proposal of the Target Company. It is also agreed that if it is decided that the merger between both companies is conducted, management members of both companies should consider and discuss the management system of the integrated new company including the composition of directors and presidents in good faith based on the spirit of equality between both companies and that both companies should consider appointing one representative director each for the new integrated company, (vi) after the settlement for the Tender Offer, the Tender Offeror may appoint one executive director of the Target Company after prior discussion between the Target Company in good faith and the Target Company should conduct the procedure required for the election of the person whom the Tender Offeror has appointed as an executive director of the Target Company, (vii) the Tender Offeror shall consider in good faith that it elects or appoints a person designated by the Target Company as a director and a representative director upon the discussion in good faith with the Target Company after the annual general shareholders meeting of the Tender Offeror to held in June 2025, and the Tender Offeror shall allow a person separately designated by the Target Company to attend important committees of the Tender Offeror such as the board of directors as an observer until the person designated by the Target Company as a director and a representative director of the Tender Offeror is elected or appointed as such, (viii) the Tender Offeror shall have the Target Company maintain the address of the head office of the Target Company even after the completion of the settlement for the Tender Offer (provided, however, the if both parties get merged, they shall determine the address of the head office of the integrated new company after the merger by mutual agreement after discussion and consideration in good faith), and (ix) both parties shall respect existing initiatives of the Target Company with respect to the business management and business strategies to the maximum extent even after the completion of the settlement for the Tender Offer, and that if the Tender Offeror requests the Target Company to change the existing initiatives of the Target Company with respect to the business management and business strategies after the completion of the settlement for the Tender Offer, both parties shall discuss and consider such change in good faith based on the spirit of equality between both parties.

(f) The Business Integration and Tender Offer Agreement also stipulates that, (i) for 3 years after the commencement of the settlement for the Tender Offer, the Tender Offeror shall cause the Target Company Group to maintain, in general, the employment of the employees who are employed by the Target Company Group as of the settlement commencement date of the Tender Offer under employment terms that are not substantially lower than those prevailing on the settlement commencement date in totality, (ii) the Tender Offeror shall respect the existing initiatives of the Target Company Group towards the achievement of work - life balance of its employees, their flexible working style under which the employees make use of telework, various work schedule such as flex-time system, time select system and variable working hours system etc., and existing methods and results of the personnel evaluation system in the Target Company Group to the maximum extent, and when the Tender Offeror hopes to change any of these after the completion of the settlement for the Tender Offer, both parties shall discuss and consider such changes in good faith, (iii) if it is decided that the merger between both parties is to be conducted, based on the spirit of equality, both parties shall assign talented resources to the key position of the integrated new company regardless of his/her company of origin, and (iv) both parties

shall establish an investigative team, constituted by officers/employees from both parties, to discuss in good faith and consider the integration of employment terms in connection with the merger between both parties, while making maximum commercially reasonable efforts to set the post-merger employment terms more preferable for employees from both parties and with maximum respect to the existing employment terms of both parties.

(g) In the Business Integration and Tender Offer Agreement, the Target Company has made representations and warranties (Note) with respect to certain matters. In the event of a breach of such representations and warranties, the Tender Offeror would be entitled to claim damages to the extent of reasonable causation.

(Note) In the Business Integration and Tender Offer Agreement, the Target Company made representations and warranties with respect to mainly the following matters: (I) the validity of its establishment, survival and powers, (II) the capacity to hold rights and act as necessary to execute and perform the Business Integration and Tender Offer Agreement, (III) the validity and enforceability of the Business Integration and Tender Offer Agreement, (IV) the acquisition of licenses and permits, etc. necessary to execute and perform the Business Integration and Tender Offer Agreement, (V) no conflict with laws and regulations, etc. regarding the execution and performance of the Business Integration and Tender Offer Agreement, (VI) no transactions with or involvement by antisocial forces, (VII) no insolvency procedures, (VIII) accuracy of annual securities report for the fiscal year ending March 31, 2024, (IX) truthfulness and accuracy of information disclosure to the Tender Offeror.

2. Outline of Purchase, etc.

(1) Overview of the Target Company

(I)	Company Name	Net One Systems Co., Ltd.	
(II)	Location	JP TOWER, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo	
(III)	Representative's Title and Name	President & Chief Executive Officer Takafumi Takeshita	
(IV)	Business Activities	Provision of innovative Information Platform solutions and services that help the leading organizations better strategize information and communications technology (ICT)	
(V)	Capital	12,279 million yen (as of September 30, 2024)	
(VI)	Date of Establishment	February 1, 1988	
(VII)	Major Shareholders and Shareholding Ratios (as of March 31, 2024)	The Master Trust Bank of Japan, Ltd. (Trust Account)	16.93%
		Custody Bank of Japan, Ltd. (Trust Account)	13.71%
		STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Department)	4.33%
		CGML PB CLIENT ACCOUNT/COLLATERAL (Standing Proxy: Citibank, N.A., Tokyo Branch)	2.37%
		Meiji Yasuda Life Insurance Company	1.82%
		JP MORGAN CHASE BANK 385781	1.36%

	(Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Department)	
	STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Department)□	1.34%
	STATE STREET BANK AND TRUST COMPANY 505227 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Department)	1.33%
	GOVERNMENT OF NORWAY (Standing Proxy: Citibank, N.A., Tokyo Branch)	1.28%
	THE BANK OF NEW YORK MELLON 140044 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Department)	1.27%

(VIII) Relationship between the Tender Offeror and the Target Company		
	Capital Relationship	There is no capital relationship between the Tender Offeror and the Target Company.
	Personnel Relationship	There is no personnel relationship between the Tender Offeror and the Target Company.
	Business Relationship	The Tender Offeror has a business relationship with the Target Company regarding ICT products.
	Status as a Related Party	The Target Company is not a related party of the Tender Offeror.

(Note) "(VII) Major Shareholders and Shareholding Ratios (as of March 31, 2024)" are based on the "Status of Major Shareholders" stated in the 37th Annual Securities Report submitted by the Target Company on June 27, 2024.

(2) Schedule, etc.

(I) Schedule

Date of the Board of Directors' Resolution	November 6, 2024 (Wednesday)
Date of Public Notice Regarding the Commencement of Tender Offer	November 7, 2024 (Thursday) An electronic public notice shall be made and a statement to that effect shall be published in the Nihon Keizai Shimbun. (Electronic public notice address https://disclosure2.edinet-fsa.go.jp/)
Filing Date of the Tender	November 7, 2024 (Thursday)

Offer Statement	

(II) Initial Tender Offer Period as of the Date of Filing
From November 7, 2024 (Thursday) to December 18, 2024 (Wednesday) (30 business days)

(III) Possibility of Extending the Above Period Upon Request of Target Company
N/A

(3) Purchase Price

(I) 4,500 yen per share of common stock

(II) Share Options

(i) 1 yen per each share option issued pursuant to a resolution adopted at the Target Company's board of directors meeting held on June 14, 2012 (the "FY2012 Share Options") (whose exercise period is from July 3, 2012 to July 2, 2042);

(ii) 1 yen per each share option issued pursuant to a resolution adopted at the Target Company's board of directors meeting held on June 13, 2013 (the "FY2013 Share Options") (whose exercise period is from July 2, 2013 to July 1, 2043);

(iii) 1 yen per each share option issued pursuant to a resolution adopted at the Target Company's board of directors meeting held on June 17, 2014 (the "FY2014 Share Options") (whose exercise period is from July 4, 2014 to July 3, 2044);

(iv) 1 yen per each share option issued pursuant to a resolution adopted at the Target Company's board of directors meeting held on June 16, 2015 (the "FY2015 Share Options") (whose exercise period is from July 3, 2015 to July 2, 2045);

(v) 1 yen per each share option issued pursuant to a resolution adopted at the Target Company's board of directors meeting held on June 16, 2016 (the "FY2016 Share Options") (whose exercise period is from July 5, 2016 to July 4, 2046);

(vi) 1 yen per each share option issued pursuant to a resolution adopted at the Target Company's board of directors meeting held on June 15, 2017 (the "FY2017 Share Options") (whose exercise period is from July 4, 2017 to July 3, 2047);

(vii) 1 yen per each share option issued pursuant to a resolution adopted at the Target Company's board of directors meeting held on the June 14, 2018 (the "FY2018 Share Options") (whose exercise period is from July 3, 2018 to July 2, 2048);

(viii) 1 yen per each share option issued pursuant to a resolution adopted at the Target Company's board of directors meeting held on June 13, 2019 (the "FY2019 Share Options") (whose exercise period is from July 2, 2019 to July 1, 2049);

(ix) 1 yen per each share option issued pursuant to a resolution adopted at the Target Company's board of directors meeting held on June 11, 2020 (the "FY2020 Share Options") (whose exercise period is from July 2, 2020 to July 1, 2050); and

(x) 1 yen per each share option issued pursuant to a resolution adopted at the Target Company's board of directors meeting held on June 23, 2021 (the "FY2021 Share Options") (whose exercise period is from July 13, 2021 to July 12, 2051).

The FY2012 Share Options, the FY2013 Share Options, the FY2014 Share Options, the FY2015 Share Options, the FY2016 Share Options, the FY2017 Share Options, the FY2018 Share Options, the FY2019 Share Options, the FY2020 Share Options and the FY2021 Share Options are hereinafter collectively referred to as the "Share Options."

(III) Depository Receipt for Share Certificates, etc.

4,500 yen per American depositary receipts (the "American Depositary Receipts") related to the Target Company Shares issued by Deutsche Bank Trust Company Americas and Citibank,

N.A. (collectively, the "Depositary Banks") in the United States.

(Note) According to the notification (Form F-6EF) or amended notification (Form F-6 POS) for the American Depositary Receipts submitted by Deutsche Bank Trust Company Americas as of October 10, 2008 and September 29, 2017 to the U.S. Securities and Exchange Commission (the "SEC") and the same submitted by Citibank, N.A. as of September 16, 2015 to the SEC (collectively, the "American Depositary Receipts Notifications"), the American Depositary Receipts for the Target Company Shares were issued in the United States. However, according to the Target Company, the Target Company was not involved in the issuance of these American Depositary Receipts. Since the Tender Offeror aims to acquire all of the Target Company Shares (including common shares of the Target Company to be delivered as a result of the exercise of the Share Options and excluding the treasury shares held by the Target Company) and all of the Share Options in the Tender Offer, the Tender Offeror includes the American Depositary Receipts as the type of share certificates, etc., to be purchased because it needs to solicit applications for sales, etc., for all the Shares issued by the Target Company pursuant to Article 27-2, paragraph (5) of the Act and Article 8, paragraph (5), item (iii) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "Order"). On the other hand, while the American Depositary Receipts are securities issued in the United States, it has been determined that it will be difficult for the Tender Offeror, which is a resident of Japan, to acquire the American Depositary Receipts themselves in the Tender Offer implemented outside the United States because there are no financial instruments business operators, etc., that can handle the acquisition as a tender offer agent in practice. Accordingly, in the Tender Offer, the Tender Offeror will accept tenders of the Target Company Shares and the Share Options only, and instead of accepting tenders of the American Depositary Receipts themselves, it will accept tenders of the Target Company Shares related to the American depositary shares (the "American Depositary Shares") deposited with the Depositary Banks represented by the American Depositary Receipts. Therefore, the owners of the American Depositary Receipts who wish to tender in the Tender Offer should deliver the American Depositary Receipts to the Depositary Banks and receive the delivery of the Target Company Shares related to such American Depositary Shares represented by the American Depositary Receipts, in advance (please also refer to "(1) How to Accept," "(I) Tender Offer Agent" under "7. How to Accept and How to Cancel" below).The Tender Offeror will not conduct a tender offer for the Target Company Shares, Share Options, and American Depositary Receipts owned by U.S. residents.

(4) Basis for Calculation of the Tender Offer Price

(I) Basis of Calculation

(i) Common Stock

To ensure the fairness of the Tender Offer Price, the Tender Offeror, in determining the Tender Offer Price for the Target Company Shares, requested Daiwa Securities, its financial adviser, to calculate the value of the Target Company Shares as a third-party valuation institution independent of the Tender Offeror and the Target Company. Daiwa Securities is not a related party of the Tender Offeror or the Target Company and has no material interest in the Tender Offer.

After considering the valuation methods that should be used among various share valuation methods when calculating the value of the Target Company Shares, Daiwa Securities used each of (i) the average market price method, taking into account the trends in the market price of the Target Company Shares, (ii) the comparable company analysis method because there are multiple listed companies that are comparable to the Target Company and it is possible to infer the value of the

Target Company Share by analogy by comparing the Target Company with such comparable companies, and (iii) the DCF method, reflecting the details of business performance and forecasts, etc., based on the premise that the Target Company is a going concern and from the perspective that it would be appropriate to assess the share value of the Target Company in multiple ways. As of November 5, 2024, the Tender Offeror received the Share Valuation Report (Daiwa Securities) from Daiwa Securities. Since the Tender Offeror believes that sufficient consideration has been given to the interests of the Target Company's minority shareholders, taking into account other measures implemented in connection with the Transaction to ensure the fairness of the Tender Offer Price, the Tender Offeror has not obtained a written opinion from Daiwa Securities regarding the fairness of the Tender Offer Price (Fairness Opinion).

According to the Share Valuation Report (Daiwa Securities), the methods used and the ranges of the per share value of the Target Company Shares calculated based on those methods are as follows.

Market price method: 3,166yen to 3,574 yen

Comparable company analysis method: 3,185 yen to 4,267 yen

DCF method: 3,818 yen to 5,046 yen

Under the market price method, November 5, 2024 was set as the valuation base date, and the per share value of the Target Company Shares was calculated to be in the range of 3,166 yen to 3,574 yen, based on the closing price of the Target Company Shares listed on the Tokyo Stock Exchange Prime Market on the valuation base date of 3,574 yen and the simple average of the closing prices over the preceding one month (October 7 to November 5, 2024) of 3,545 yen, over the preceding three months (August 6 to November 5, 2024) of 3,444 yen, and over the preceding six months (May 7 to November 5, 2024) of 3,166 yen.

Under the comparable company analysis method, the per share value of the Target Company Shares was calculated to be in the range of 3,185 yen to 4,267 yen by comparison with listed companies engaged in businesses considered to be relatively similar to those of the Target Company, i.e., NS Solutions Corporation, TIS Inc., Internet Initiative Japan Inc., BIPROGY Inc., DTS CORPORATION and the Tender Offeror, by using the multiple of EBITDA to their enterprise value and Price Earnings Ratio (PER).

Under the DCF analysis method, the per share value of the Target Company Shares was calculated to be in the range of 3,818 yen to 5,046 yen, as a result of analyzing the enterprise value and the value of the Target Company Shares by discounting the free cash flow expected to be generated by the Target Company in and after the fiscal year ending March 31, 2025 using a certain discount rate, based on the earnings forecast of the Target Company from the fiscal year ending March 31, 2025 to 2027 adjusted by the Tender Offeror taking into account various factors including the earnings forecast and investment plans based on the Business Plan , the results of the due diligence conducted by the Tender Offeror on the Target Company during the period from late July to early September 2024, the potential synergies arising from the execution of the Transaction, and publicly available information. The business plan used by Daiwa Securities for the analysis for the DCF method does not include fiscal years in which a substantial increase/decrease in profit is expected. In addition, the Business Plan does not assume the Tender Offer will be executed because the potential purchasers and the transaction structure were undetermined at the time when the Target Company prepared the business plan.

The Tender Offeror finally decided to set the Tender Offer Price at 4,500 yen per share by the resolution of the board of directors dated today, after comprehensively considering elements such as the valuation results of the Share Valuation Report (Daiwa Securities) obtained from Daiwa Securities on November 5, 2024, which showed that the price was above the results calculated by the market price method and the comparative analysis method as well as within the range of the results calculated by the DCF method, the results of the due diligence conducted by the Tender Offeror on the Target Company during the period from late July 2024 to early September 2024, the

benefits of the Transaction, the premiums applied to the purchase prices determined in past cases of tender offers for shares, etc. by parties other than the issuer with the aim of making the company a wholly owned subsidiary, the trends in market price of the Target Company Shares, the approval or disapproval of the Tender Offer by the Target Company's board of directors, and prospects for tenders in the Tender Offer.

The Tender Offer Price of 4,500yen per share of the Target Company Shares represents a price obtained by adding a premium of 25.91% to the closing price of 3,574 yen of the Target Company Shares on the Tokyo Stock Exchange Prime Market on November 5, 2024, the business day immediately preceding the date of the announcement of the execution of the Tender Offer, 26.94% to the simple average of the closing prices over the immediately preceding one month (October 7 to November 5, 2024) of 3,545 yen, 30.66% to the simple average of the closing prices over the immediately preceding three months ((August 6 to November 5, 2024) of 3,444 yen, and 42.14% to the simple average of the closing prices over the immediately preceding six months (May 7 to November 5, 2024) of 3,166 yen, respectively.

(ii) The Share Options

The Tender Offeror has determined that the Purchase Price for Share Options shall be all one yen after considering factors such that the Tender Offeror is not able to exercise them even if the Tender Offeror obtains the Share Options through the Tender Offer because the exercise conditions of the Share Options are the retirement or the death of the Share Option holder. Since the Tender Offeror set the Purchase Price for Share Options as described above, the Tender Offeror has not obtained a valuation report or a written opinion (Fairness Opinion) from a third-party valuation institution.

(iii) The American Depositary Receipt

The American Depositary Receipts represent the American Depositary Shares deposited with the Depositary Banks, and one American Depositary Share is equivalent to one Target Company Share. Based on this assumption, in the Tender Offer, tenders of the American Depositary Receipts themselves will not be accepted, but instead, tenders of the Target Company Shares related to the American Depositary Shares represented by the American Depositary Receipts will be accepted. In light of such arrangement, the price of purchase for the American Depositary Receipts, which is the price of purchase for the Target Company Shares to be received by delivering the American Depositary Receipts to the Depositary Bank, has been set at 4,500 yen per share, which is the same price as the Tender Offer Price

(II) Background of Calculation

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

For the Background leading to the decision of the Tender Offer Price, please refer to "(I) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" under "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purposes of Purchase, etc."

(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price, measures to avoid the risk of conflict of interest, etc)

For the measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price, measures to avoid the risk of conflict of interest, etc., please refer to "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc." in "1. Purposes of Purchase, etc." above.

(5) Number of Share Certificates, etc. to be Purchased

Number of Share Certificates, etc. to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
79,440,893 (shares)	52,960,600 (shares)	– (shares)

(Note 1) If the total number of Tendered Shares is less than the minimum number of shares to be purchased (52,960,600 shares), the Tender Offeror will purchase none of the Tendered Shares. If the total number of Tendered Shares is not less than the minimum number of shares to be purchased (52,960,600 shares), the Tender Offeror will purchase all of the Tendered Shares.

(Note 2) As the Tender Offer has not set a maximum number of shares to be purchased, 79,440,893 shares, which is the largest number of the Target Company Shares that the Tender Offeror may acquire through the Tender Offer, is stated as the number of shares to be purchased. Such number (79,440,893 shares) is the number of shares obtained by adding (i) the total number of issued Target Company Shares as of September 30, 2024 as stated in the Target Company's Q2 Financial Results (80,308,700 shares) to (ii) the number of the Target Company Shares underlying the 846 units of Share Options outstanding as of today (84,600 shares), minus (iii) the number of treasury shares held by the Target Company as of September 30, 2024 as stated in the Target Company's Q2 Financial Results (952,407 shares).

(Note 3) Shares constituting less than one unit are also subject to the Tender Offer. If a shareholder exercises its right to demand purchase of shares constituting less than one unit pursuant to the Companies Act, the Target Company may purchase these shares during the Tender Offer Period in accordance with statutory procedures.

(Note 4) The treasury shares held by the Target Company are not scheduled to be acquired through the Tender Offer..

(6) Changes in Share Ownership Ratio as a Result of the Purchase

Number of Voting Rights Represented by the Tender Offeror's Owned Shares Before the Purchase	0 (units)	(Ownership Ratio Before the Purchase: 0.00%)
Number of Voting Rights Represented by the Special Related Parties' Owned Shares Before the Purchase	0 (units)	(Ownership Ratio Before the Purchase: 0.00%)
Number of Voting Rights Represented by the Tender Offeror's Owned Shares After the Purchase	794,408 (units)	(Ownership Ratio After the Purchase: 100.00%)
Number of Voting Rights Represented by the Special Related Parties' Owned Shares After the Purchase	0 (units)	(Ownership Ratio After the Purchase: 0.00%)
Total Number of Voting Rights of the Target Company's Shareholders (as of March 31, 2024)	792,716 (units)	

(Note 1) The "Number of Voting Rights Represented by the Tender Offeror's Owned Shares After the

Purchase" is stated as the number of voting rights obtained by adding the "Number of Voting Rights Represented by the Tender Offeror's Owned Shares Before the Purchase" to the number of voting rights represented by the number of shares to be purchased in the Tender Offer.

(Note 2) "Total Number of Voting Rights of the Target Company's Shareholders (as of March 31, 2024)" shows the total number of voting rights held by all shareholders as of March 31, 2024 (one unit of shares is assumed to constitute 100 shares) shown in the annual securities report for the fiscal year ending March 31, 2024 submitted by the Target Company on June 27, 2024. However, since shares of less than one unit and the Target Company Share(s) issued or delivered upon exercise of the Stock Acquisition Rights are also subject to the purchase in the Tender Offer, the "ownership ratio of shares before the purchase" and the "ownership ratio of shares after the purchase" are calculated using the number of voting rights about the total number (794,408 units) of Target Company Share(s) including potential Target Company Share(s) as the denominator.

(Note 3) The "Ownership Ratio Before the Purchase" and the "Ownership Ratio After the Purchase" are rounded to two decimal places.

(7) Purchase Price 357,484,018,500 yen

(Note) The purchase price is the amount calculated by multiplying the number of shares to be purchased in the Tender Offer (79,440,893 shares) by the Tender Offer Price per share (4,500 yen).

(8) How to Settle

(I) Name and Address of Registered Headquarter of Financial Instruments Business Operator, Bank, etc. to Handle Settlement of Purchase, etc.

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

(II) Date of Commencement of Settlement

December 25, 2024(Wednesday)

(III) How to Settle

Without delay after expiration of the Tender Offer Period, a notice of purchase, etc. through the Tender Offer will be mailed to the addresses of Tendering Shareholders, etc. (or their standing proxy in the case of Foreign Shareholders, etc.).

The purchase is made for cash. Under the instructions of the Tendering Shareholders, etc., the tender offer agent will remit payment for share certificates, etc. purchased to the location instructed by the Tendering Shareholders, etc. (or their standing proxies in the case of Foreign Shareholders, etc.) (there may be a remittance fee), or to the account of the Tendering Shareholders, etc. with the tender offer agent through which their tender was accepted, without delay, on or after the date of commencement of settlement.

(IV) How to Return Share Certificates, etc.

If it is decided that none of the share certificates, etc. will be purchased in accordance with the conditions stated in "(I) Descriptions of Terms Specified in Items of Article 27-13(4) of the Act, if any" or "(II) Description of Terms of Withdrawal, etc. of Tender Offer and Methods of Disclosure, if Any Such Terms" in "(9) Other Terms and Methods of Purchase, etc." below, the share certificates, etc. required to be returned will be returned without delay on or after the second business day following the last day of the Tender Offer Period (where the Tender Offer has been withdrawn, on or

after the day when the withdrawal was made) by restoring the status of the Tendering Shareholders, etc.'s account opened with the tender offer agent at the time of tendering.

(9) Other Terms and Methods of Purchase, etc.

(I) Descriptions of Terms Specified in Items of Article 27-13(4)

If the total number of the Tendered Shares is less than the minimum number of shares to be purchased (52,960,600 shares), the Tender Offeror will purchase none of the Tendered Shares. If the total number of Tendered Shares is not less than the minimum number of shares to be purchased (52,960,600 shares), the Tender Offeror will purchase all of the Tendered Shares.

(II) Description of Terms of Withdrawal, etc. of Tender Offer and Methods of Disclosure

If any circumstances set forth in Article 14, paragraph (1), item (i), (a) through (j), (m) through (s) and item (iii), (a) through (h) and (j), and Article 14, paragraph (2), items (iii) through (vi) of the Order arise, the Tender Offeror may withdraw the Tender Offer. In addition, "Facts equivalent to those set forth in (a) through (i)" as set forth in Article 14, paragraph (1), item (iii), (j) of the Order means cases where (I) it is found that a legal disclosure document submitted by the Target Company contains a false statement about a material particular or omits a statement as to a material particular that is required to be stated and (II) the facts set forth in (a) through (g) of the same item occur to a material subsidiary of the Target Company.

If the Tender Offeror intends to withdraw the Tender Offer, it will make an electronic public notice and publish a notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to make said public notice by the last day of the Tender Offer Period, the Tender Offeror will announce such withdrawal in the manner stipulated in Article 20 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990; as amended; the "Cabinet Order") and give public notice immediately thereafter.

(III) Description of Terms of Price Reduction of Purchase, etc., and Methods of Disclosure, if Any Such Terms

Under the provisions of Article 27-6, paragraph (1), item (i) of the Act, if the Target Company conducts any of the acts set forth in Article 13, paragraph (1) of the Order during the Tender Offer Period, the Tender Offeror may reduce the price of purchase, etc. in accordance with the standards set forth in Article 19, paragraph (1) of the Cabinet Office Order.

If the Tender Offeror intends to reduce the price of purchase, etc., it will make an electronic public notice and publish a notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to make a public notice by the last day of the Tender Offer Period, the Tender Offeror will announce such reduction in the manner stipulated in Article 20 of the Cabinet Office Order and give public notice immediately thereafter. If the price of purchase, etc. is reduced, the Tender Offeror will also purchase, etc., the Tendered Shares that were tendered on or before the date on which such public notice was made at the reduced price of purchase, etc.

(IV) Information About Cancellation Rights of Accepting Shareholders, etc.

Tendering Shareholders, etc. may cancel their contracts pertaining to the Tender Offer at any time during the Tender Offer Period. If Tendering Shareholders, etc. wish to cancel their contracts, they must deliver or send a cancellation notice (a receipt of the Tender Application for Tender Offer and a document for cancellation of the contracts pertaining to the Tender Offer) to the head office or any of the branches of the tender offer agent in Japan where their tender application was made by 4:00 p.m. on the last day of the Tender Offer Period. However, in the case of sending a cancellation notice by mail, it must arrive by 4:00 p.m. of the last day of the Tender Offer Period.

The Tender Offeror will not claim damages or payment of a penalty from Tendering Shareholders, etc. due to their contract cancellation. In addition, the costs required to return the Tendered Shares will be borne by the Tender Offeror. Upon receipt of a request for cancellation, the Tender Offeror will return the Tendered Shares in the manner stated in "(IV) How to Return Share Certificates, etc." in "(8) How to Settle" above promptly after completion of the procedures pertaining to such cancellation request.

(V) Methods of Disclosure if Terms of Purchase, etc. Is Changed

During the Tender Offer Period, the Tender Offeror may change the terms of purchase, etc., except for cases prohibited by Article 27-6, paragraph (1) of the Act and Article 13 of the Order.

If the Tender Offeror intends to change the terms of purchase, etc., it will make an electronic public notice of the details of such change and publish a notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to make a public notice by the last day of the Tender Offer Period, the Tender Offeror will announce such change in the manner stipulated in Article 20 of the Cabinet Office Order and give public notice immediately thereafter. If the terms of purchase, etc. are changed, the Tender Offeror will also purchase the Tendered Shares that were tendered on or before the date on which such public notice was made under the changed terms of purchase, etc.

(VI) Methods of Disclosure if Amendment Report Is Filed

If the Tender Offeror files an amended notification with the Director-General of the Kanto Local Finance Bureau (except for the cases set forth in the proviso to Article 27-8, paragraph (11) of the Act), the Tender Offeror will immediately announce the details of the amended notification related to the details stated in the public notice for commencement of the Tender Offer in the manner set forth in Article 20 of the Cabinet Office Order. The Tender Offeror will also immediately amend the tender offer explanation and deliver the amended tender offer explanation to Tendering Shareholders, etc. to whom the tender offer explanation has already been delivered. However, if the scope of the amendment is limited, the amendment will be made by preparing a document stating the reason for the amendment and the subject matter amended and the details after the amendment, and by delivering the document to Tendering Shareholders, etc.

(VII) Methods of Disclosing Result of Tender Offer

The Tender Offeror will announce the results of the Tender Offer on the day following the last day of the Tender Offer Period in the manner stipulated in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Order.

(10) Date of Public Notice Regarding Commencement of the Tender Offer

November 7, 2024 (Thursday)

(11) Tender Offer Agent

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

3.Policies After the Tender Offer and Future Outlook

Please refer to "(2) Background, Purpose, and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer," "(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-called Two-step Acquisition)," and "(5) Prospects of Delisting and its Reasons" in "1. Purposes of Purchase, etc." above.

4. Other Information

(1) Description of Agreements between Tender Offeror and Target Company

(I) Description of Agreements between Tender Offeror and Target Company

(i) Expression of Opinion in Support of the Tender Offer

According to the Target Company's Press Release, it resolved at the Target Company's board of directors meeting held today to express its opinion in support of the Tender Offer and recommend its shareholders to tender their shares in the Tender Offer.

For details of the decision-making process of the Target Company, please refer to "(V) Approval of All Disinterested Directors (Including Members of the Audit & Supervisory Committee) of the Target Company" under "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc." in the "1. Purposes of Purchase, etc." above.

(ii) Business Integration and Tender Offer Agreement

The Tender Offeror entered into the Business Integration and Tender Offer Agreement with the Target Company dated today. For details of the Business Integration and Tender Offer Agreement, please refer to "(6) Matters Concerning Important Agreements About the Tender Offer" under "1. Purposes of Purchase, etc." above.

(II) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy after the Tender Offer

Please refer to "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" under "1. Purposes of Purchase, etc." above.

(III) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc.

Please refer to "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price, Measures to Avoid the Risk of Conflict of Interest, etc." under "1. Purposes of Purchase, etc." above.

(IV) Description of Agreements between Tender Offeror and Officers of Target Company, if Any

Not Applicable.

(2) Other Information Deemed Necessary for Investors to Determine whether to Tender their Shares through the Tender Offer

(I) Disclosure of the "Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)"

The Target Company released the Target Company's Q2 Financial Results today. The overview of the Target Company's Q2 Financial Results based on said release is as follows. According to the material, the contents of the release was not subject to review during the term by an audit firm pursuant to the provisions of Article 193-2, paragraph (1) of the Act. The following overview of the release is an excerpt of the material released by the Target Company. For details, please refer to said release.

(i) Information about profit/loss (consolidated)

Fiscal year	FY2024 (Interim accounting period)
Net sales	100,657 million yen
Cost of sales	74,583 million yen
Selling, general and administrative expenses	17,113 million yen
Non-operating income	281 million yen
Non-operating expenses	429 million yen
Profit	6,402 million yen

(ii) Per Share Information

Fiscal Year	FY2024 ((Interim accounting period)
Earnings per Share	80.73 yen
Dividend per Share	43.00 yen

(II) Disclosure of the "Notice Regarding the Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2025 (No Dividend)"

According to the Target Company, it resolved at the board of directors meeting held today to revise the dividend forecast for the fiscal year ending March 31, 2025, which was announced in the "Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)" on August 6, 2024, and not to pay year-end dividends for the fiscal year ending March 31, 2025, on condition of successful completion of the Tender Offer. For details, please refer to the Target Company's "Notice Regarding the Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2025 (No Dividend)" announced today.

II. Borrowing of Funds

1. Reasons to Borrow Funds

In order to appropriate to the funds required for the Transaction, the Tender Offeror decided to borrow funds (the "Borrowing").

2. Summary of the Borrowing (Plan)

(1) Lender	Sumitomo Mitsui Banking Corporation
(2) Borrowing Amount	273.5 billion yen (maximum amount)
(3) Interest Rate	Variable interest rate based on JBA Japanese Yen TIBOR
(4) Drawdown Date	The business day immediately preceding the commencement day of the settlement of the Tender Offer
(5) Repayment Due Date	The corresponding day one year after the drawdown date
(6) Security	None

(Note) The details of the Borrowing will be set out under the loan agreement in relation to the Borrowing through separate negotiations with Sumitomo Mitsui Banking Corporation.

3. Future Outlook

The potential impact from the Tender Offer and the Borrowing is now being examined. The Tender Offeror will promptly make announcements if any matter requiring disclosure occurs.

End

[Restrictions on Solicitation]

This press release has been prepared solely to inform the public about the Tender Offer and has not been prepared to solicit applications for the Tender Offer. Shareholders should carefully read the tender offer explanation and make their offers at their discretion when offering to sell their shares. This press release does not constitute an offer or solicitation to sell any securities or a solicitation of an offer to purchase any securities, nor does it constitute any part of such an offer or solicitation. This press release (or any part of it) or the fact of its distribution shall not form the basis of any agreement concerning the Tender Offer and may not be relied upon in the execution of agreements.

[Regulations in the United States]

The Tender Offer shall be implemented in compliance with the procedures and information disclosure standards prescribed by Japan's Financial Instruments and Exchange Act, which are not necessarily the same as those in the United States. In particular, Sections 13(e) and 14(d) of the Securities Exchange Act of 1934 in the United States (as amended; hereinafter the "U.S. Securities Exchange Act of 1934") and the rules stipulated thereunder do not apply to the Tender Offer, and the Tender Offer is not in line with those procedures and standards. All financial information contained in this press release and the documents referenced in this press release has not been prepared under U.S. GAAP and us not necessarily equivalent to the financial statements of U.S. companies. In addition, since the Tender Offeror and the Target Company are companies incorporated outside the United States and some or all of their directors and officers are not U.S. residents, it may be difficult to exercise any right and claim arising under U.S. securities-related laws. Furthermore, it may not be possible to commence legal proceedings against a non-U.S. company and their directors or officers in courts outside the United States for violating U.S. securities-related laws. In addition, there is no guarantee that it is possible to compel companies and their subsidiaries and affiliates outside the United States to obey the jurisdiction of U.S. courts.

Unless otherwise stated, all procedures relating to the Tender Offer shall be conducted entirely in Japanese. While all or part of the documents relating to the Tender Offer will be prepared in English, the Japanese documents shall prevail in the event of any discrepancy between the English and Japanese versions. This press release and its references contain forward-looking statements. Actual results may differ materially from the forecasts expressly or impliedly indicated in such forward-looking statements due to known or unknown risks, uncertainties, or other factors. Neither the Tender Offeror, the Target Company, nor their respective related parties can give any assurance that the forecasts expressly or impliedly indicated in such forward-looking statements will ultimately turn out to become correct. The

forward-looking statements in this press release and its references have been prepared based on information available to the Tender Offeror as of the press release date. Unless required by laws or financial instruments exchanges' rules, the Tender Offeror, the Target Company, or their respective related parties undertake no obligation to update or revise such statements to reflect future events or circumstances.

The Tender Offeror's and the Target Company's financial advisors, as well as the tender offer agent (including their related parties), may, in the ordinary course of their business and to the extent permitted under the applicable laws and regulations relating to Japan's financial instruments and exchange and other applicable laws and regulations, engage in purchases of or acts aimed at purchasing the common shares of the Target Company outside of the Tender Offer, for their and their clients' accounts, before the commencement of the Tender Offer or during the purchase period of the Tender Offer, under the requirements of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934. If any information relating to such purchases is disclosed in Japan, the parties conducting the purchases will also disclose it on their websites (or by any other means of disclosure) in English.

[Other Counties]

This press release's announcement, publication, or distribution may be subject to legal restrictions in some countries or regions. In such cases, please be aware of and observe those restrictions. This press release's announcement, issuance, or distribution does not constitute an offer to purchase or a solicitation of an offer to sell shares in relation to the Tender Offer. It shall be simply deemed to be the distribution of informational materials.