



November 19, 2024

To whom it may concern:

Company Name: Integrated Design & Engineering Holdings Co., Ltd.
Name of Representative: Hiroaki Shinya, Director and Representative Executive President (Code No.: 9161 TSE Prime Market)
Point of Contact: Makoto Koizumi, General Manager of Corporate Communication Office
TEL: 03-5276-2454

Notice of Opinion in Favor of Tender Offer for Company Shares by Tokio Marine Holdings, Inc. and Recommendation to Tender Shares in Tender Offer

The Company (Note) hereby announces that the Company, at its Board of Directors meeting held earlier today, resolved to express its opinion in favor of a tender offer (the “Tender Offer”) for the Company’s common shares (the “Company Shares”) by Tokio Marine Holdings, Inc. (the “Tender Offeror”), and to recommend that the shareholders of the Company tender their shares in the Tender Offer, as detailed below.

Please note that the above-mentioned resolution of the Company’s Board of Directors was adopted on the premise that the Tender Offeror intends to make the Company a wholly-owned subsidiary thereof and that the Company Shares will be delisted through the Tender Offer and the series of subsequent procedures.

(Note) In this press release, the “Company” means Integrated Design & Engineering Holdings Co., Ltd. (formerly Nippon Koei Co., Ltd. before July 2023 (before its transformation into a pure holding company by sole-share transfer)).

1. Overview of the Tender Offeror

(1) Name	Tokio Marine Holdings, Inc.
(2) Location	2-6-4 Otemachi, Chiyoda-ku, Tokyo

(3) Name and Title of Representative	Satoru Komiya, Director and President
(4) Details of Business	Management of non-life insurance companies, life insurance companies, specialized securities companies, foreign companies engaged in insurance businesses and any other company which became a subsidiary of the Tender Offeror in accordance with the provisions of the Insurance Business Act, any business pertaining to the foregoing, and any other business that an insurance holding company may conduct under the Insurance Business Act.
(5) Capital	150 billion yen (As of March 31, 2024)
(6) Date of Incorporation	April 2, 2002
(7) Major Shareholders and Shareholding Ratio (As of March 31, 2024)	The Master Trust Bank of Japan, Ltd. 16.83% (Trust Account)
	Custody Bank of Japan, Ltd. (Trust Account) 7.37%
	Meiji Yasuda Life Insurance Company 2.16% (Standing Proxy: Custody Bank of Japan, Ltd.)
	State Street Bank West Client - Treaty 1.89% 505234 (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)
	JPMorgan Chase Bank 385632 1.54% (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)
	Tokai Nichido Employees Stock 1.52% Ownership Plan
	Barclays Securities Japan Limited 1.50%
	SSBTC CLIENT OMNIBUS 1.49% ACCOUNT (Standing Proxy: Tokyo Branch, Hongkong and Shanghai

		Banking Corporation Limited)
		JPMorgan Chase Bank 385781 1.35% (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)
		JPMorgan Securities Japan Co., Ltd. 1.20%
(8) Relationship Between the Company and the Tender Offeror		
	Capital Relationship	The Tender Offeror indirectly owns 45,245 Company Shares (Shareholding Ratio (Note): 0.30%) through Tokio Marine & Nichido Fire Insurance Co., Ltd., the Tender Offeror's wholly-owned subsidiary.
	Personnel Relationship	N/A
	Business Relationship	The Tender Offeror is engaged in operations related to disaster prevention and mitigation, and mobility within the Tender Offeror Group (as defined below; hereinafter the same applies), and is considering or entering into service contracts with Nippon Koei Co., Ltd., Nippon Koei Urban Space Co., Ltd., and Nippon Koei Energy Solutions Co., Ltd., which are wholly-owned subsidiaries of the Company, for services related to risk assessments and countermeasure considerations concerning disaster prevention and mitigation, and mobility, as well as construction management services. Moreover, the Tender Offeror Group has entered into general insurance contracts with some companies within the Company Group (as defined below).
	Applicability to Related Parties	N/A

(Note) "Ownership Ratio" means the ratio of the number of the relevant Company Shares owned by the applicable person to the number of shares (15,092,921 shares; the "Base Share Number") obtained by adding (i) the number of newly issued shares (3,177 shares) as disclosed in the "Notice Regarding Payment Completed of New Shares as Restricted Stock Compensation to Directors" announced by the Company

on October 25, 2024 (the “Restricted Shares Number Dated October 25”) which is not included in the total number of issued shares as of September 30, 2024 (15,091,195 shares), to (ii) the number of shares (15,089,744 shares) remaining after subtracting the number of the treasury shares owned by the Company as of September 30, 2024 (1,451 shares) as disclosed in the “Consolidated Financial Results for the Three Months Ended September 30, 2024 [IFRS]” announced by the Company on November 13, 2024 (the “Company’s Q1 Financial Results”), from the total number of issued shares of the Company as of the same date (15,091,195 shares) as disclosed in the Company’s Q1 Financial Results (rounded to two decimal places; hereinafter the same applies to the calculation of the Ownership Ratio).

2. Tender Offer Price

6,500 yen per common share (the “Tender Offer Price”)

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

(1) Details of the opinion

The Company, at its Board of Directors meeting held today, resolved to express its opinion in favor of the Tender Offer based on the grounds and reasons set forth in “(2) Grounds and reasons for the opinion” below, and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

The above-mentioned resolution of the Board of Directors was adopted in the manner set forth in “(V) Approval of All Disinterested Directors at 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 to Avoid Conflicts of Interest” below.

(2) Grounds and Reasons for the Opinion

(I) Outline of the Tender Offer

The Company received the following explanation from the Tender Offeror regarding the overview of the Tender Offer.

At the board of directors’ meeting held on November 19, 2024, the Tender Offeror decided to conduct the Tender Offer as part of a series of transactions to acquire all of the Company Shares, which are listed on the Prime Market of Tokyo Stock Exchange, Inc. (the “TSE”) (excluding the treasury shares owned by the Company), and to make the Company a wholly-owned subsidiary of the Tender Offeror (the

“Transaction”). As of the date hereof, the Tender Offeror does not own the Company Shares. However, Tokio Marine & Nichido Fire Insurance Co., Ltd. (“Tokio Marine & Nichido Fire Insurance”), a wholly-owned subsidiary of the Tender Offeror, owns 45,245 Company Shares (Ownership Ratio: 0.30%) (“Shares Owned by Tokio Marine & Nichido Fire Insurance”).

The Tender Offeror has set 9,988,600 shares (Ownership Ratio: 66.18%) as the lower limit of the number of shares to be purchased through the Tender Offer. If the total number of shares that are offered for sale in response to the Tender Offer (the “Tendered Shares”) falls short of the lower limit of the number of shares to be purchased (9,988,600 shares), none of the Tendered Shares will be purchased. On the other hand, as stated above, since the Tender Offeror aims to make the Company its wholly-owned subsidiary by acquiring all of the Company Shares (excluding the treasury shares owned by the Company), the upper limit of the number of shares to be purchased has not been set; if the total number of the Tendered Shares is equal to or is more than the lower limit of the number of shares to be purchased (9,988,600 shares), all of the Tendered Shares will be purchased. The lower limit of the number of shares to be purchased (9,988,600 shares) was the number of shares obtained by (i) subtracting the number of voting rights (452 voting rights) pertaining to the Shares Owned by Tokio Marine & Nichido Fire Insurance (45,245 shares) (Note 1) and the number of voting rights (282 voting rights) pertaining to the number of shares (28,220 shares) obtained by totaling the number of restricted shares (13,473 shares) as disclosed in the “Notice Regarding Payment Completed of New Shares as Restricted Stock Compensation” announced by the Company on August 10, 2023, the number of restricted shares (11,570 shares) as disclosed in the “Notice Regarding Payment Completed of New Shares as Restricted Stock Compensation to Executive Officers” announced by the Company on August 16, 2024, and the Restricted Shares Number Dated October 25 (3,177 shares) (collectively, the “Restricted Shares”) (Note 2), from the number of voting rights obtained by multiplying the number of voting rights (150,929 voting rights) pertaining to the Base Share Number (15,092,921 shares) by $\frac{2}{3}$ (resulting in 100,620 voting rights, rounded up to the nearest whole number), and (ii) multiplying the difference (99,886 voting rights) by the number of share units of the Company (100 shares). The Tender Offeror aims to make the Company its wholly-owned subsidiary through the Transaction, and upon implementation of the procedures for a share consolidation stated in “(5) Policy for Reorganization After the Tender Offer (Matters Concerning “Two Step Acquisition”)” below, a special resolution of a shareholders’ meeting as set forth in Article 309, paragraph (2) of the Companies

Act (Act No. 86 of 2005, as amended; the “Companies Act”) will be required. In order to ensure that the Transaction will be conducted, the lower limit of the number of shares to be purchased has been set so that this requirement will be met through the Tender Offeror’s and Tokio Marine & Nichido Fire Insurance’s ownership of voting rights in a number equal to or more than two-thirds of all voting rights of all shareholders of the Company after the Tender Offer.

(Note 1) Tokio Marine & Nichido Fire Insurance is a wholly-owned subsidiary of the Tender Offeror and does not plan to tender the Shares Owned by Tokio Marine & Nichido Fire Insurance in the Tender Offer. The Tender Offeror is considering having the Shares Owned by Tokio Marine & Nichido Fire Insurance (in cases where a share consolidation is conducted during the Squeeze-out Procedures, fractions equivalent to those shares) belong to the Tender Offeror through the Squeeze-out Procedures (as defined below; hereinafter the same applies) or by delivery of such shares to the Tender Offeror as dividend property after the expiration of the period of the Tender Offer (the “Tender Offer Period”), if the Tender Offer is successfully completed. In any event, since Tokio Marine & Nichido Fire Insurance is expected to agree to the Squeeze-out Procedures, the Tender Offeror has subtracted the number of voting rights pertaining to the Shares Owned by Tokio Marine & Nichido Fire Insurance when considering the lower limit of the number of shares to be purchased.

(Note 2) With regard to the Restricted Shares, at the Company’s board of directors’ meeting held on November 19, 2024, it was resolved to express an opinion in support of the Tender Offer on the premise of delisting; and at the time of the resolution, all directors cast affirmative votes as a result of exercising their voting rights and all executive officers not concurrently serving as directors indicated their intention to agree to the Transaction. Therefore, the Company’s directors and executive officers are expected to agree to the Squeeze-out Procedures if the Tender Offer is successfully completed, and the Tender Offeror has subtracted the number of voting rights pertaining to these Restricted Shares when considering the lower limit of the number of shares to be purchased.

As of today, as aforementioned, the Tender Offeror plans not to apply for this Tender Offer concerning all Shares Owned by Tokio Marine & Nichido Fire Insurance (45,245 shares). Regarding these shares, the Tender Offeror plans to take measures to make the Company a wholly-owned subsidiary of the Tender Offeror, including by acquiring them as a dividend in kind after the expiration of the Tender Offer Period without

paying the transfer price, with specific measures to be decided after the expiration of the Tender Offer Period.

If the Tender Offeror cannot acquire all of the Company Shares through the Tender Offer (including the Restricted Shares and excluding the treasury shares owned by the Company and the Shares Owned by Tokio Marine & Nichido Fire Insurance), the Tender Offeror plans to implement a series of procedures after completion of the Tender Offer to have the Company's shareholder comprise of only the Tender Offeror and make the Company its wholly-owned subsidiary (the "Squeeze-out Procedures"), as stated in "(5) Policy for Reorganization After the Tender Offer (Matters Concerning "Two-Step Acquisition")" below.

If the Tender Offer is successfully completed, the Tender Offeror plans to use its equity capital and cash on hand as funds required to settle the Tender Offer, and no new fund raising is planned.

(II) Background, Purposes and Decision-Making Process Leading to the Implementation of the Tender Offer by the Tender Offeror

In September 2001, Tokio Marine & Fire Insurance Co., Ltd. and Nichido Fire & Marine Insurance Co., Ltd. executed a joint share transfer agreement concerning incorporation of the wholly-owning parent company through a share transfer, and as a result, in April 2002, the Tender Offeror was incorporated as Tokio Marine Holdings, Inc. and was listed on the First Section of the TSE and the First Section of the Osaka Securities Exchange (the First Section of the Osaka Securities Exchange was integrated into the First Section of the TSE in July 2013). As a result of the restructuring of the market divisions of the TSE as of April 2022, the Tender Offeror is listed on the Prime Market of the TSE as of today.

As of March 31, 2024, the Tender Offeror group consists of the Tender Offeror and its 268 subsidiaries and 23 affiliates (hereinafter the Tender Offeror and its subsidiaries and affiliates are collectively referred to as the "Tender Offeror Group") and engages in domestic non-life insurance, domestic life insurance, overseas insurance, and finance and other businesses.

The Tender Offeror's corporate philosophy is to continually raise its corporate value with customer trust as the foundation of all its activities; and since its foundation, the

Tender Offeror's purpose has been to "protect our customers and society in their times of need." The Tender Offeror has persistently grown by contributing to resolving various social issues that change with the times through its business activities. In order to continue achieving the purpose amid the accelerating changes expected in the business environment, the Tender Offeror has set its "long-term aspiration towards 2035" as becoming a "partner that continuously provides innovative solutions" for the issues/risks of its customers and society.

In order to achieve the above, under the mid-term management plan titled "Tokio Marine Group Mid-Term Plan 2026 ~ Inspiring confidence. Accelerating progress. ~" which covers FY 2024 to FY 2026, the Tender Offeror has continued pushing ahead with global risk diversification and integrated group management as its group core strategies, and has implemented its group major strategies which are "3 Pillars" of "Growth" ((i) Drastic expansion of domains where we can deliver our value, (ii) Diversification of distribution model, and (iii) Extensive improvement of productivity) and "2 Pillars" of "Discipline" ((i) strengthening and improvement of internal controls/governance and (ii) Enhancement of business portfolio and capital management).

On the other hand, the Company's origins lie in Shinko Power Co., Ltd., which was founded in Uchisaiwaicho, Chiyoda-ku, Tokyo in June 1946 by officers and employees mainly from Chosen Dengyo Kabushiki Kaisha, which was engaged in the development of power sources in the Korean Peninsula before World War II. The company changed its name to Nippon Koei Co., Ltd. ("Nippon Koei") in October the following year, and after that, it made efforts to reconstruct ravaged national land infrastructure and the electric power industry in Japan, and also strove to reconstruct war-affected foreign countries. The company was listed on the Second Section of the TSE in April 1963 and designated as a First Section stock on the TSE in September 1978. Thereafter, as a result of a review of market segments of the TSE in April 2022, the listed market for the company shares was transferred from the First Section of the TSE to the Prime Market of the TSE. Furthermore, in order to strengthen management of the group from a mid- to long-term perspective and ensure future growth, the company determined that it would be optimal to transform its structure into that of a pure holding company under which a holding company would be in charge of formulation of overall group strategies and governance, and each business company would promote business operations autonomously and flexibly; thus, in July 2023, the Company was established through a sole-share transfer and listed on the Prime

Market of the TSE via a technical listing.

As of today, the Company consists of a company group comprising 100 companies including the Company (the Company, 89 subsidiaries, eight equity-method affiliates, and two equity-method jointly controlled companies) (the “Company Group”). The Company, as a holding company, engages in management and administration of its group companies and incidental or associated businesses thereto, and its group companies mainly engage in consulting business, urban & spatial development business, and energy business. An outline of each business is as described below.

1. Consulting business

Study, planning, assessments, design, construction supervision, management, etc. related to the maintenance and development of river and water resources, water supply and sewage facilities, and agriculture and rural communities, dams and generation of electricity, transportation (roads, railways, ports, and airports), urban and regional development, geology, disaster prevention, erosion control, environment, information systems in Japan and overseas.

2. Urban & spatial development business

Project formation, planning, design, operation for creation of urban spaces.

3. Energy business

Production and sale of power equipment and control devices, planning, design, construction, construction supervision for mechanical, electrical, and communication facilities, and energy management utilizing distributed energy resources.

The Company Group values its management philosophy, “Act with integrity and contribute to society through technology and engineering,” and in order to realize its mission, “Make the world a better place” (Mission), the Company Group has been contributing to nation building around the world through its consulting business and energy business related to the creation of social capital which supports safe and secure living and through its urban & spatial development business aimed at building prosperous and comfortable environments.

In June 2021, which marked the 75th year of its foundation, the Company announced its long-term management strategy titled “Global Strategy 2030” with the concept of “Working together toward a future without boundaries.” The Company has set

numerical targets for the fiscal year ending in June 2030 of a revenue of 250 billion yen, an operating profit of 25 billion yen, an operating profit margin of 10%, and an ROE of 15%, and aims to become a corporate group which will provide new value through its pursuit of knowledge and innovation and integration of technologies by “working together” with various internal and external partners, and thereby, contribute to the realization of a society in which people can enjoy prosperity. Under its long-term management strategy, the Company has established three steps, i.e., “transformation,” “expansion,” and “breakthrough,” and under its mid-term management plan titled “Building Resilience 2024” (from July 2021 to June 2024) for the period of “transformation” (the first step) ending in the previous fiscal year, the Company promoted three resilience policies, i.e., “Boosting business through three independent domains,” “Group management structure that realizes matrix management across businesses and regions,” and “Embodying the Group brand and quality,” all of which were aimed at developing the foundation for realizing its long-term management strategy.

From the current fiscal year, the period of “expansion” (the second step) commenced, and the Company has been promoting its mid-term management plan titled “Building Growth 2027” (from July 2024 to June 2027). The Company has set a basic policy of “Sustainable growth in three core businesses and expansion of business fields through working together,” and has developed three growth policies, i.e., “Reforms for growth,” “Deployment of matrix management,” and “Advancements in human resources and technology.” In particular, the Company has expressly stated a full-scale entry into the “private market,” which it has made efforts to achieve as a future growing field since its long-term management strategy was formulated, as one of the group management policies under its mid-term management plan; thus, the Company has commenced efforts to fully enter the private market where further growth is expected, since the public market where the Company Group has earned sales thus far is currently solid. For example, the Company Group is making efforts to contact private sector customers, through the “Good City” concept, which sets out a vehicle for us to sell our skills and approach gathered and accumulated its “knowledge” in response to needs for urban development, and has also presented a vision for the creation of ideal urban spaces and the direction of solutions for ten common issues with which many cities deal; furthermore, the Company Group has strengthened its marketing activities with respect to family-controlled conglomerates (*zaibatsu*) in emerging countries and inbound overseas companies. However, the Company Group understands that further consideration and preparation are necessary in order to

kickstart these activities into full gear.

The business environment of the Company Group is becoming more uncertain due to current, global circumstances, such as the global energy and food crisis triggered by Russia's invasion of Ukraine, and increasing inflation and currency fluctuations; on the other hand, with regard to its consulting business, in domestic markets, a budget for public works for enhancing national resilience has been secured on a continuous basis, and in particular, the expansion of markets for countermeasures for large-scale natural disasters and prevention- and conservation-type infrastructure maintenance, as well as the expansion of defense-related infrastructure businesses, are expected. Furthermore, in overseas markets, the ODA budget has been increased under the "Infrastructure System Overseas Promotion Strategy 2025" led by the Japanese Government, and reconstruction assistance in conflict or disaster-stricken areas is needed. With regard to its urban & spatial development business, while there is an increasing need for rebuilding sustainable urban structures to attract ESG investments which focus on three elements, i.e., environment (E), society (S), and governance (G), in both Japan and European countries, there is a pressing need for urban development projects, including development of traffic-related facilities and peripheral infrastructure, in developing countries. With regard to its energy business, demand for renewal of existing facilities in disrepair is expected to be strong in Japan, and in addition, there is a global trend of a shift toward renewable energy to achieve carbon neutrality by 2050; therefore, the market environment until 2030 envisaged under the long-term management strategy and the mid-term management plan for the next term (from July 2027 to June 2030), which is the period of "breakthrough" (the third step), appears to be favorable.

As a future prospect beyond 2030, there is a possibility that financial reform, such as that involving a reduction in the budget for public works due to the accelerating, declining birthrate and aging population and an increase in social security costs in Japan, will be discussed in full. Given such an external environment, the Company Group believes that its social mission is to develop resilient and sustainable social capital in Japan and overseas. Amid these great changes in the needs of society, the Company Group will be able to add new value to existing public works, public utilities or Official Development Assistance, etc. by collaborating with private enterprises and creating new solutions. Through provision of new services and value to society, the Company Group aims to become a top-tier consulting and engineering company around the world and to create the foundation as a 100-year-old company.

On the other hand, under these circumstances, the Tender Offeror has selected three social issues, i.e., “Improve Disaster Resilience,” “Promoting Climate Action,” and “Supporting Healthy and Spiritually Rich Living,” as those that the Tender Offeror should address in particular, and has implemented strategies to resolve these issues, through which the Tender Offeror aims to create and enhance “social value” and “economic value.” In the mid-term management plan, the Tender Offeror has set “Drastic expansion of domains where we can deliver our value” as one of its major strategies, and it has pushed ahead with efforts for development and implementation of solutions with the aim of expanding its business in the “pre-incident” area of insurance business including advance prevention of accidents and detection of signs of disease, and in the “post-incident” area of insurance business including quick restore and prevent recurrence.

As typical efforts, in the disaster prevention and mitigation field, (i) Tokio Marine dR Co., Ltd provides solutions, such as natural disaster risk assessments, (ii) Tokio Marine & Nichido Fire Insurance, promoter, established a disaster prevention consortium (CORE) aimed at building a disaster-resilient society, consisting of 13 companies and organizations from diverse industries (I-Resilience Corporation, AlgoNaut Co., Ltd., Weathernews Inc., OYO Corporation, Foundation of River & Basin Integrated Communications, Secom Co., Ltd., Tokio Marine dR Co., Ltd., Nippon Koei, Nippon Telegraph and Telephone Corporation, PASCO CORPORATION, East Japan Railway Company, Boston Consulting Group, Inc. and Mitsubishi Electric Corporation) (Note 1), and (iii) Tokio Marine Resilience Co., Ltd. (established in November 2023) provides disaster prevention solutions to private enterprises. In the energy, environment, and mobility field, (i) Tokio Marine dR Co., Ltd. provides climate change and water risk assessments and information disclosure assistance, etc., (ii) Tokio Marine Smart Mobility Co., Ltd. (established in November 2023) provides mobility solutions (Note 2) to corporations, and (iii) Tokio Marine Decarbonization Business Launch Preparation Co., Ltd. (established in February 2024) provides decarbonization solutions to small and medium-sized enterprises; and in the healthcare field, (i) Tokio Marine dR Co., Ltd. provides health management support consulting etc., (ii) in April 2023, a preparation company was incorporated and develops businesses focusing on the pre-disease and disease prevention field.

(Note 1) CORE was established on November 24, 2021 and has conducted activities, such as dissemination of study results and knowledge to society through

general meetings or subcommittee meetings, and provision of technological matching and collaboration assistance both in and outside the consortium; for details, please see CORE's website (<https://www.bosai-core.jp/>).

(Note 2) Tokyo Marine Smart Mobility Co., Ltd. has made efforts to resolve the social issues of moving, logistics, and traffic and has provided solutions, such as (i) improved efficiency for car users and optimization of drivers' work through IoT solutions, (ii) improved efficiency in the entire industry by sharing logistics functions and collaboration across companies, and (iii) a reduction in potential waste and elimination of gaps between moving and logistic demand and supply by utilizing data and algorithms.

As stated above, the Tender Offeror has made efforts to develop business in new fields. However, the Tender Offeror has reached the conclusion that in order to further expand business to "Improve Disaster Resilience" and "Promoting Climate Action" and create value for customers, management resources (human resources, actual results, professional experience, know-how, technological capabilities, research and development capabilities, etc.), such as planning and building of projects, assessments, design, surveys, supervision, operation and maintenance, management, consulting, etc., based on engineering technologies directly leading to societal resilience, are essential. By combining them with insurance, the Tender Offeror will be able to provide customers with integrated solutions in each of the four fields related to societal resilience, i.e., "assessment" including assessing and understanding disaster risks and clarifying the greenhouse gas emission volume, "preparedness" including urban planning, disaster prevention design, tangible measures (physical measures for natural disasters) and energy optimization, "economic compensation (payment of insurance claims)" including property, construction, and compensation for profit, and "recovery/operation and maintenance" including early recovery and reconstruction from disasters, build back better planning and implementation (Note 3), recurrence prevention and operation and maintenance of facilities. Based on this conclusion, the Tender Offeror has explored and considered collaboration with external companies in order to realize the provision of comprehensive solutions in the four fields.

(Note 3) Build back better means the idea of aiming for recovery and reconstruction to a more resilient society than that before a disaster occurs at the stage of recovery and reconstruction after a disaster occurs in order to prepare for the

occurrence of disasters in the future.

Since August 2020, the Tender Offeror and the Company have collaborated in the fields of disaster prevention, mobility and smart cities, etc.; and Nippon Koei, which is one of the Company Group has participated as a member of the aforementioned disaster prevention consortium (CORE) since its establishment. The specific background is as follows: in and after August 2020, the Tender Offeror and Nippon Koei discussed and exchanged opinions on the fields of disaster prevention and mitigation, mobility and smart cities; in September 2021, the Tender Offeror proposed that Nippon Koei join a consortium, and Nippon Koei agreed thereto and participated in the consortium. In November 2021, the disaster prevention consortium (CORE) was established; thereafter, from December 2021 to March 2022, details of a subcommittee were considered; and in April 2022, the operations of the subcommittee and the consortium's activities started.

Through the collaboration and discussions with Nippon Koei from August 2020 to July 2022, the Tender Offeror confirmed and understood the Company Group's strengths to be as follows: (i) the Company Group has a stable business foundation for the government and local governments based on its technological capabilities (the largest company in the construction consulting industry in Japan (based on disclosed financial materials, such as annual securities reports of companies in the industry, information databases, such as SPEEDA and Bloomberg, etc.), recording a consecutive increase in revenue in and after the fiscal year ending in March 2010), (ii) the Company Group has already implemented and developed solutions directly leading to the realization of societal resilience, and (iii) the Company's materiality, "building a disaster-resilient future through integrated technologies and expertise," is consistent with the Tender Offeror's goal.

In August 2022, the Tender Offeror began considering how to proceed with the collaboration and alliance relationship with the Company in the disaster prevention and mitigation field, while appointing and receiving advice from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities"), which has been engaged in ongoing discussions regarding the enhancement of the Tender Offeror's corporate value over the long term, assuming that the Tender Offeror would appoint it as a financial advisor and third-party valuation organization when the Tender Offeror and the Company enter into the due diligence phase), as necessary. Thereafter, the Tender Offeror asked Mitsubishi UFJ Morgan Stanley Securities to

confirm whether the Company will also gain an advantage in a collaboration or alliance with a nonlife insurance company in terms of enhancement of the Company's corporate value and will be interested in advancing discussions on further collaboration or alliance. As stated above, the Tender Offeror and Company started their collaboration in August 2020. However, the Tender Offeror believed that it would be necessary to contact a department or division working very closely with the Company's management and in charge of collaborations and alliances with external companies; with this back ground, in order to ask the Company about its interest in a collaboration or alliance by withholding the name of the Tender Offeror, the Tender Offeror asked Mitsubishi UFJ Morgan Stanley Securities to confirm the Company's early-stage interest. In October 2022, Mitsubishi UFJ Morgan Stanley Securities confirmed that the Company had an early-stage interest through meetings with the Company and shared the details of its meetings with the Company with the Tender Offeror. In November 2022, the Tender Offeror commenced initial discussions on the potential collaboration fields and alliance relationship through meetings with the Company, and from December 2022 to May 2023, continued discussions on the collaboration or alliance with the Company.

Thereafter, in June 2023, the Tender Offeror appointed Nishimura & Asahi (currently, "Nishimura & Asahi (Gaikokuho Kyodo Jigyo)"; "Nishimura & Asahi") as its legal advisor independent of the Tender Offeror and the Company, and began initial consideration of how to proceed with the collaboration while also receiving advice from Nishimura & Asahi, as necessary. The Tender Offeror came to believe that it will be essential to receive and analyze materials through interviews with the Company's management members and due diligence regarding its business in order to further advance its collaboration or alliance with the Company. In addition, the Tender Offeror believed that it will also be important to exchange opinions on the optimal capital structure of the Company, etc. with the Company, and strengthen the mutual relationship. In order to efficiently advance their collaboration which was promoted previously, for the purpose of building a stronger relationship than one of a simple business alliance and accelerating their efforts to improve management efficiency and generate synergies, the Tender Offeror and the Company reached a basic agreement to consider a business collaboration in line with their capital relationship and executed a basic agreement on August 29, 2023. At that time, the Tender Offeror and the Company had not discussed or negotiated the Transaction or the terms and conditions related to the Transaction.

After the execution of the basic agreement between the Tender Offeror and the Company, in mid-September 2023, the Tender Offeror appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and a third-party valuation organization independent of the Tender Offeror and the Company. From September to November 2023, the Tender Offeror conducted due diligence on the Company Group. Thereafter, from December 2023 to mid-January 2024, the Tender Offeror repeatedly discussed the target business of the Tender Offeror with the Company, the optimal capital structure of the Company, generation of synergy effects and advantages, while receiving advice from Mitsubishi UFJ Morgan Stanley Securities and Nishimura & Asahi, as necessary. Until that time, the Tender Offeror and the Company discussed services and solutions related to their collaboration; however, details, such as the capital transaction structure or the Tender Offeror's approximate share holding ratio in the Company, had not been determined between the Tender Offeror and the Company, and they had not discussed or negotiated the Transaction or the terms and conditions related to the Transaction.

From late January to early March 2024, the Tender Offeror and the Company repeatedly discussed the Tender Offeror's approximate share holding ratio in the Company, and in mid-March 2024, the Tender Offeror reached the following conclusion through analyses and research conducted previously and determined that the Company is the most appropriate partner for the Tender Offeror. As a result, the Tender Offeror commenced discussions on the Transaction and the terms and conditions related to the Transaction with the Company. They considered dis-synergies and disadvantages of the Transaction that may impair the Company's corporate value (while the Tender Offeror is authorized as an insurance holding company, whether there will be any dis-synergies or disadvantages for the Company due to the fact that the Tender Offeror is an insurance holding company after completion of the Transaction); however, any matter that may impair the Company's corporate value has not been detected. Therefore, the Tender Offeror and the Company amicably commenced and have continued discussions to the present.

First, the Company Group's business mainly consists of three business segments, i.e., consulting business (study, planning, assessments, design, construction supervision, management, etc. related to the maintenance and development of river and water resources, water supply and sewage facilities, and agriculture and rural communities, dams and generation of electricity, transportation (roads, railways, ports, and airports), urban and regional development, geology, disaster prevention, erosion control,

environment, information systems in Japan and overseas), urban & spatial development business (project formation, planning, design, operation, etc. for creation of urban spaces), and energy business (production and sale of power equipment and control devices, planning, design, construction, construction supervision for mechanical, electrical, and communication facilities, and energy management utilizing distributed energy resources). As a result of analyses and consideration, the Tender Offeror has reached the conclusion that if the Transaction with the Company is realized, the Tender Offeror will be able to develop broader business through the collaboration with the Company Group's three business segments, to broadly provide domestic and overseas customers with comprehensive solutions into which insurance and technologies are integrated in each of the four business fields mentioned above (assessment, preparedness, economic compensation, and recovery/operation and maintenance), and to greatly increase momentum towards societal resilience. This will also lead to a "drastic expansion of domains where it can deliver its value" and the creation of "social value" and "economic value" through measures to "Improve Disaster Resilience" and "Promoting Climate Action" as set forth in the Tender Offeror's mid-term management plan.

Second, if the capital alliance is conducted while the Company's listing is maintained, the Company will be forced to engage in operations independent of the Tender Offeror to a certain extent in order to protect the interests of its shareholders other than the Tender Offeror, and it is assumed that information which can be shared between the Tender Offeror and the Company will be limited from the perspective of information management; thus, it is concerned that certain limitations will be imposed on the sharing of mutual management resources and know-how and prompt decision-making.

Third, the Tender Offeror and the Company have reached the conclusion that they will be able to create the synergy effects and advantages described below.

(a) Utilization of the Tender Offeror Group's Customer Base and Network Channels

The Tender Offeror Group has a system in place to provide insurance products and services that are consistent with customer needs through the customer base and networks that it has in Japan and overseas. The Tender Offeror believes that provision of the Company Group's services and solutions to domestic and overseas customers will be possible via a point of contact with customers of the Tender Offeror Group's

insurance business, which will accelerate a “full-scale entry into the private market,” one of the group management policies that the Company Group has established.

(b) Utilization of Capital Policies and Financial Base of the Tender Offeror Group

The Tender Offeror Group has implemented the “disciplined capital policies” under which it has reviewed internal growth and portfolios, made business investments and shareholder returns using the capital and funds created through an acceleration of the sale of cross-held stocks, and strove to improve the ROE. The Tender Offeror believes that the Company will be able to continue growing and expand its business fields by utilizing the Tender Offeror Group’s capital policies and financial base as mentioned above and appropriately allocating capital and funds while appropriately controlling for risks with respect to the Company’s business fields.

(c) Utilization of Human Resources of the Tender Offeror Group

In terms of human resources, the Tender Offeror Group has more than 40,000 employees in Japan and overseas who have various skills and the expertise required for business operation, such as asset management, risk management, management planning, legal affairs and compliance, publicity and IR, accounting and finance, and IT, in addition to sales related to insurance business, claims services, actuarial science, product development, insurance-related affairs, etc. Therefore, the Tender Offeror believes that the Tender Offeror Group will be able to provide personnel assistance in accordance with the Company Group’s needs.

From May to July 2024, the Tender Offeror conducted additional due diligence on the Company Group on the premise of the Transaction. From September to October 2024, the Tender Offeror additionally verified the Company Group’s financial and tax affairs and conducted interviews with the Company Group’s management members to understand the details of the Company Group’s management and business; thus, the Tender Offeror and the Company have proceeded with discussions and consideration regarding specific measures to create business synergies. Based on the results of the analyses and consideration, the Tender Offeror came to believe that the Transaction should be conducted; and after a report at the Tender Offeror’s board of directors’ meeting held on October 16, 2024, on the same day, the Tender Offeror submitted a non-legally binding document to the Company which included various terms and conditions, such as the purchase price per Company Share in the Tender Offer (the

“Tender Offer Price”) and the number of shares to be purchased on the premise that the Tender Offeror will make the Company its wholly-owned subsidiary, and proposed the Transaction with the tender offer price of 4,700 yen per Company Share (the “Initial Proposal Price”). The Initial Proposal Price is the amount obtained by adding a premium (10.33%, 10.48%, 17.71%, and 13.39%) (rounded to two decimal places; hereinafter the same applies to the calculation of premiums) to 4,260 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on October 15, 2024, the business day immediately preceding October 16, 2024, and 4,254 yen, 3,993 yen, and 4,145 yen (rounded up to the nearest whole number; hereinafter the same applies to the calculation of simple average closing prices), which were the simple average closing prices for the past one month (from September 17, 2024 to October 15, 2024), the past three months (from July 16, 2024 to October 15, 2024), and the past six months (from April 16, 2024 to October 15, 2024), respectively. In response thereto, on October 17, 2024, the Tender Offeror was requested by the Company to increase the Tender Offer Price as a result of the Company’s consideration based on the advice of Daiwa Securities (as defined below) and TMI Associates after obtaining an opinion from a Special Committee (as defined below; hereinafter the same applies); therefore, on October 22, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 5,250 yen per Company Share (the “Second Proposal Price”). The Second Proposal Price is the amount obtained by adding a premium (21.11%, 22.06%, 31.09%, and 26.72%) to 4,335 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on October 21, 2024, the business day immediately preceding October 22, 2024, and 4,301 yen, 4,005 yen, and 4,143 yen, which were the simple average closing prices for the past one month (from September 24, 2024 to October 21, 2024), the past three months (from July 22, 2024 to October 21, 2024), and the past six months (from April 22, 2024 to October 21, 2024), respectively. In response thereto, on October 23, 2024, the Tender Offeror was requested by the Company to increase the Tender Offer Price as a result of the Company’s consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee; therefore, on October 28, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 5,400 yen per Company Share (the “Third Proposal Price”). The Third Proposal Price is the amount obtained by adding a premium (27.36%, 25.38%, 34.26%, and 30.50%) to 4,240 yen, which was the closing

price of the Company Shares on the Prime Market of the TSE on October 25, 2024, the business day immediately preceding October 28, 2024, and 4,307 yen, 4,022 yen, and 4,138 yen, which were the simple average closing prices for the past one month (from September 26, 2024 to October 25, 2024), the past three months (from July 26, 2024 to October 25, 2024), and the past six months (from April 26, 2024 to October 25, 2024), respectively. In response thereto, on October 28, 2024, the Tender Offeror was requested by the Company to increase the Tender Offer Price as a result of the Company's consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee stating that the Third Proposal Price was neither a price which sufficiently considered interests of the Company's minority shareholders nor a price at a level from which completion of the Tender Offer could be expected; therefore, on November 4, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 5,700 yen per Company Share (the "Fourth Proposal Price"). The Fourth Proposal Price is the amount obtained by adding a premium (34.28%, 32.16%, 40.64%, and 37.81%) to 4,245 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on November 1, 2024, the business day immediately preceding November 4, 2024, and 4,313 yen, 4,053 yen, and 4,136 yen, which were the simple average closing prices for the past one month (from October 2, 2024 to November 1, 2024), the past three months (from August 2, 2024 to November 1, 2024), and the past six months (from May 2, 2024 to November 1, 2024), respectively. In response thereto, on November 5, 2024, the Tender Offeror was requested by the Company to increase the Tender Offer Price as a result of the Company's consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee stating that the Fourth Proposal Price did not sufficiently consider the interests of our minority shareholders when considering the net asset level including the latent gains of the company's real estate, the synergies between the offeror and the company, and the recent trends in the premium levels of other privatization cases; therefore, on November 10, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 6,200 yen per Company Share (the "Fifth Proposal Price"). The Fifth Proposal Price is the amount obtained by adding a premium (44.86%, 44.02%, 50.41%, and 50.12%) to 4,280 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on November 8, 2024, the business day immediately preceding November 10, 2024, and 4,305 yen,

4,122 yen, and 4,130 yen, which were the simple average closing prices for the past one month (from October 9, 2024 to November 8, 2024), the past three months (from August 9, 2024 to November 8, 2024), and the past six months (from May 9, 2024 to November 8, 2024), respectively. Moreover, the price-to-book ratio (PBR) of the Company based on the Fifth Proposal Price exceeded 1, and the premium level was said to be not inferior compared to recent trends recognized by the Tender Offeror in other privatization cases, and the Tender Offeror made a re-proposal under the appreciation that it offered an attractive opportunity for shareholders of the Company to sell their shares. In response thereto, on November 11, 2024, the Tender Offeror was requested by the Company to increase the Tender Offer Price as a result of the Company's consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee stating that the recent trends of premium levels of other privatization cases (an average premium of about 63% against the stock price before the announcement) and the synergies between the Tender Offeror and the Company, and concluded that at this Fifth Proposal Price, expressing approval for this Tender Offer and recommending application was not possible; therefore, on November 14, 2024, the Tender Offeror submitted a legally binding document which included various terms and conditions, such as the Tender Offer Price (however, such document is conditional upon the resolution of the Board of Directors of the Tender Offeror on November 19, 2024, to commence the Tender Offer), and proposed the Transaction with the tender offer price of 6,500 yen per Company Share (the "Final Proposal Price"). The Final Proposal Price is the amount obtained by adding a premium (55.88%, 51.13%, 56.74%, and 57.65%) to 4,170 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on November 13, 2024, the business day immediately preceding November 14, 2024, and 4,301 yen, 4,147 yen, and 4,123 yen, which were the simple average closing prices for the past one month (from October 15, 2024 to November 13, 2024), the past three months (from August 14, 2024 to November 13, 2024), and the past six months (from May 14, 2024 to November 13, 2024), respectively. In response thereto, on November 15, 2024, the Tender Offeror received the opinion from the Company to accept the final proposal on the condition that extraordinary Board of Directors meeting held on November 19, 2024, passed a resolution to express approval for this Tender Offer and recommend application to our shareholders.

Through these discussions and negotiations, the Tender Offeror resolved at the Board of Directors meeting on November 19, 2024, to proceed with the Tender Offer, setting

the Tender Offer Price at 6,500 yen.

(Note) Among the privatization tender offer cases, aimed at making the company a wholly-owned subsidiary in Japan, announced and completed between June 28, 2019, when the Ministry of Economy, Trade and Industry announced the “Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders’ Interests” and August 31, 2024, similar cases to this one (cases of tender offers by third parties with the aim of taking a company private, where the number of voting rights held by the tender offeror, including those of specially related parties, before the tender offer is less than 5% of the total number of voting rights of the target company)

the average premium for 46 cases against the closing price on the trading day before the announcement was 50.89%, against the simple average of closing prices for the past one month, 54.28%, against the simple average of closing prices for the past three months, 56.23%, and against the simple average of closing prices for the past six months, 58.42%, respectively.

(III) Decision-Making Process of the Company’s Board of Directors

As described in “(ii) Background, Purposes and Decision-Making Process Leading to the Implementation of the Tender Offer by the Tender Offeror” above, in early-August, 2023, the Company received an oral proposal from the Tender Offeror to discuss measures, which include to make the Company its wholly-owned subsidiary through the Tender Offer, etc. In order to deliberate on whether to commence discussions with the Tender Offeror in response to the proposal and to further deliberate on the implementation of the Transaction, in late-August 2023, the Company appointed TMI Associates as a legal advisor independent of the Tender Offeror and the Company, and in late-September 2023, Daiwa Securities Co., Ltd. (“Daiwa Securities”) as its financial advisor and third-party valuation organization independent of the Tender Offeror and the Company, respectively. Furthermore, based on the advice of TMI Associates, the Company immediately began to establish a system to deliberate, negotiate, and make decisions with regard to the Transaction from the perspective of improving the Company’s corporate value and ensuring the interests of the Company’s shareholders from a position independent of the Tender Offeror in order to ensure fairness of the Transaction.

Subsequently, the Tender Offeror conducted due diligence on the Company to

investigate the feasibility of the Transaction from September to November 2023, and simultaneously discussed the significance and purpose of the Tender Offer, synergies expected to be created by the Tender Offer, the management structure and business policy, as well as industry outlook after the Tender Offer, based on a multifaceted and comprehensive analysis of the business, financials, and future plans of the Company. In March 2024, the Company received a proposal related to the Transaction from the Tender Offeror to make the Company its wholly-owned subsidiary through the Tender Offer. In response, in mid March 2024, the Company provided a response to the Tender Offeror to the effect that it would proceed with deliberations concerning the Transaction from the perspective of improving the Company's corporate value and ensuring the interests of the Company's shareholders. In early April, in order to eliminate arbitrariness in the Company's decision-making concerning the Transaction including the Tender Offer, and ensure the fairness, transparency, and objectiveness of the decision-making process, the Company established the Special Committee as its advisory organ, and has been holding multiple rounds of discussions and negotiations with the concerning the purpose of the Transaction, the management structure and business policy after completion of the Transaction, and the terms and conditions of the Transaction. For the confirmation status of the independence of the Special Committee and the fee system for the members of members comprising Special Committee, please see "(II) Establishment of an Independent Special Committee at the Company and Acquisition 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 to Avoid Conflicts of Interest" below.

Additionally, as described in "(II) Establishment of an Independent Special Committee at the Company and Acquisition 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 to Avoid Conflicts of Interest", the Special Committee appointed Nomura Securities Co., Ltd. ("Nomura Securities") as its independent financial advisor in October 2024, and Nagashima Ohno & Tsunematsu as its independent legal advisor in May 2024, based on the authority granted to the Special Committee.

Furthermore, with respect to the Tender Offer Price, since receiving a proposal from the Tender Offeror to set the Tender Offer Price at 4,700 yen per share on October 16, 2024, the Company has been conducting full-scale discussions and deliberations with the Tender Offeror. Specifically, as stated above, on October 16, 2024, the Company received a proposal from the Tender Offeror to set the Tender Offer Price

at 4,700 yen, which was the amount obtained by adding a premium (10.33%, 10.48%, 17.71%, and 13.39%) to 4,260 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on October 15, 2024 (i.e., the business day immediately preceding October 16, 2024), and to 4,254 yen, 3,993 yen, and 4,145 yen, which were the respective simple average closing prices for the past one month (from September 17, 2024 to October 15, 2024), the past three months (from July 16, 2024 to October 15, 2024), and the past six months (from April 16, 2024 to October 15, 2024). In response thereto, on October 17, 2024, the Company requested the Tender Offeror to increase the Tender Offer Price as a result of the Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from a Special Committee.

In response thereto, on October 22, 2024, the Company received from the Tender Offeror a second proposal document which included a proposal to set the Tender Offer Price at 5,250 yen per Company Share, which was the amount obtained by adding a premium (21.11%, 22.06%, 31.09%, and 26.72%) to 4,335 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on October 21, 2024 (i.e., the business day immediately preceding October 22, 2024), and to 4,301 yen, 4,005 yen, and 4,143 yen, which were the respective simple average closing prices for the past one month (from September 24, 2024 to October 21, 2024), the past three months (from July 22, 2024 to October 21, 2024), and the past six months (from April 22, 2024 to October 21, 2024). In response thereto, on October 23, 2024, the Company again requested the Tender Offeror to increase the Tender Offer Price as a result of the Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from the Special Committee.

In response thereto, on October 28, 2024, the Company received from the Tender Offeror a third proposal document which included a proposal to set the Tender Offer Price at 5,400 yen per Company Share, which was the amount obtained by adding a premium (27.36%, 25.38%, 34.26%, and 30.50%) to 4,240 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on October 25, 2024 (the business day immediately preceding October 28, 2024), and to 4,307 yen, 4,022 yen, and 4,138 yen, which were the respective simple average closing prices for the past one month (from September 26, 2024 to October 25, 2024), the past three months (from July 26, 2024 to October 25, 2024), and the past six months (from April 26, 2024 to October 25, 2024). In response thereto, on October 28, 2024, the Company again requested the Tender Offeror to increase the Tender Offer Price as a

result of the Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from the Special Committee, as the Tender Offer Price in the third proposal document (i.e., 5,400 yen) was neither a price which sufficiently considered interests of the Company's minority shareholders nor a price at a level from which completion of the Tender Offer could be expected.

In response to the above, on November 4, 2024, the Company received from the Tender Offeror a fourth proposal document which included a proposal to set the Tender Offer Price at 5,700 yen per Company Share, which was the amount obtained by adding a premium (34.28%, 32.16%, 40.64%, and 37.81%) to 4,245 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on November 1, 2024 (i.e., the business day immediately preceding November 4, 2024), and to 4,313 yen, 4,053 yen, and 4,136 yen, which were the respective simple average closing prices for the past one month (from October 2, 2024 to November 1, 2024), the past three months (from August 2, 2024 to November 1, 2024), and the past six months (from May 2, 2024 to November 1, 2024). In response thereto, on November 5, 2024, the Company again requested the Tender Offeror to increase the Tender Offer Price as a result of the Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from the Special Committee, stating that the Tender Offer Price in the fourth proposal document (i.e., 5,700 yen) was neither a price which sufficiently considered interests of the Company's minority shareholders, nor a price at a level from which completion of the Tender Offer could be expected, and does not sufficiently reflect the Company's intrinsic value.

In response thereto, on November 10, 2024, the Company received from the Tender Offeror a fifth proposal document which included a proposal to set the Tender Offer Price at 6,200 yen per Company Share, which was the amount obtained by adding a premium (44.86%, 44.02%, 50.41%, and 50.12%) to 4,280 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on November 8, 2024 (i.e., the business day immediately preceding November 10, 2024), and to 4,305 yen, 4,122 yen, and 4,130 yen, which were the respective simple average closing prices for the past one month (from October 9, 2024 to November 8, 2024), the past three months (from August 9, 2024 to November 8, 2024), and the past six months (from May 9, 2024 to November 8, 2024). In response thereto, on November 11, 2024, the Company requested the Tender Offeror to increase the Tender Offer Price as a result of the Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from the Special Committee stating that the

Tender Offer Price in the fifth proposal document (i.e., 6,200 yen) should take into consideration an assessment of synergies expected from new business initiatives to be engaged in with the Tender Offeror, despite the price being close to the intrinsic value that has taken latent gain on real estate into consideration.

In response thereto, on November 14, 2024, the Company received from the Tender Offeror a sixth proposal document which included a proposal to set the Tender Offer Price at 6,500 yen per Company Share, which was the amount obtained by adding a premium (55.88%, 51.13%, 56.74%, and 57.65%) to 4,170 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on November 13, 2024 (i.e., the business day immediately preceding November 14, 2024), and to 4,301 yen, 4,147 yen, and 4,123 yen, which were the respective simple average closing prices for the past one month (from October 15, 2024 to November 13, 2024), the past three months (from August 14, 2024 to November 13, 2024), and the past six months (from May 14, 2024 to November 13, 2024). In response thereto, on November 15, 2024, as a result of the Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from the Special Committee, the Company accepted and agreed to the proposal in the sixth proposal document on the condition that the Board of Directors meeting to be held on November 19, 2024 passes a resolution to the effect that it approves of expressing approval for the Tender Offer and recommending the Company's shareholders to apply for the Tender Offer, with the recognition that the Tender Offer Price in the sixth proposal document (i.e., 6,500 yen) is a price that has taken the interests of the Company's minority shareholders into consideration.

In light of the background described above, the Company's Board of Directors carefully discussed and examined the Transaction from the viewpoint of the appropriateness of the terms and conditions of the Transaction, including the enhancement of the Company's corporate value and the protection of the interests of minority shareholders, while comprehensively taking into account the contents of the Share Valuation Report (the "Company Share Valuation Report") pertaining to the value of the Company Shares obtained from Daiwa Securities on November 18, 2024, the legal advice from TMI Associates, and the contents of the report (the "Report") submitted by the Special Committee on November 19, 2024.

As a result, since the synergies described in (i) through (iii) below are expected, the

Company has concluded that the Transaction, including the Tender Offer, will contribute to enhancing the Company's corporate value as follows:

As mentioned above, the founding spirit of the Company Group has been inherited as a management philosophy of "Acting with sincerity and contributing to society through technology and engineering" and has continued to grow by providing solutions centered on the accumulation of knowledge represented by technology to address evolving global societal issues. As the Company's corporate name Integrated Design & Engineering suggests, the Company has been honing our expertise in the three domains of "consulting," "urban & spatial development," and "energy," while continuously maintaining the mission to "making the world a better place."

On the other hand, since its inception, the Tender Offeror Group has grown sustainably by contributing to solving various social issues evolving over time under the purpose of "protect our customers and society in their times of need." through its business activities. In particular, three social challenges have been selected: "Improve Disaster Resilience," "Promoting Climate Action," and "Supporting Healthy and Spiritually Rich Living," and the development and implementation of solutions in the "pre" and "post" regions of the insurance business are being promoted.

While the Tender Offeror and the Company have pursued different approaches utilizing their respective areas of expertise thus far, it was confirmed that their goals are the same. The Tender Offeror and the Company aim to achieve the common goal by combining the strengths of their areas of expertise, creating new services and values, and then further advance the Company Group's mission of "making the world a better place to live" strongly.

It was concluded that the Transaction does not alter but rather advances the execution of the management philosophy and mission of the Company Group, with the following specific benefits anticipated:

(i) Creation of new business through co-creation

To continuously contribute to solving global societal issues that evolve with time, it is necessary to aggregate diverse insights and ideas and constantly take on new challenges. Creating new services and values by combining "technology" and "insurance" is the very embodiment of the "spirit of challenge" advocated by the

Company Group's founder, Yutaka Kubota, and is recognized as an important opportunity to lay the foundation as a century-old company.

(ii) Full-scale entry into the private market

Though the Company Group has contributed to creating a "making the world a better place to live " centered on public works, public services, and official development assistance, the development of customer contacts in the private sector is said to be halfway there. By leveraging the "technology" of the Company Group and the "network of private customers domestically and internationally" of the Tender Offeror Group, it is recognized that it is expected to accelerate the full-scale entry into the private market, which the Company Group has been engaging in, driving up overall growth of the Company Group.

(iii) Financial base and human resources to execute various measures based on medium- and long-term strategies

To execute various measures based on the medium- and long-term strategies of the Company Group and steadily expand the business, continuous investment in growth areas and various skills and expertise necessary for developing new businesses are indispensable. By leveraging the financial foundation and the rich human resources, which have operated a company group with over 40,000 employees, of the Tender Offeror Group, it is recognized that dynamic and speedy growth investment and group management can be realized.

In addition, the following co-creation synergies are anticipated in each business segment of the Company Group:

(i) Consulting Segment

It is meaningful to create new business in the field of "private disaster prevention consulting," which combines insurance and technology to provide end-to-end solutions to domestic and international customers, mainly private companies, in four areas of "assessment," "preparedness," "economic compensation (payment of insurance claims)," and " recovery/operation and maintenance."

It is recognized that similar businesses could be created not only in the field of disaster prevention, but also in the fields of the environment (climate change and decarbonization) and mobility.

(ii) Urban & Spatial Development Segment

By utilizing the Company Group's knowledge of "urban & spatial development" field, as exemplified by The Good City concept, the Company Group will be able to provide ex-ante solutions such as urban designs that incorporate perspectives of disaster resilience and decarbonization in response to the (re)development needs of local governments and privately owned land both in Japan and overseas, as well as ex-post proposals such as highly sustainable architectural designs during the recovery phase after a disaster.

(iii) Energy Segment

One of the factors cited for the increasing severity of disasters in recent years is global warming caused by greenhouse gases and the associated climate change. Expanding the use of renewable energy etc. and promoting climate change countermeasures have been clearly stated as one of the social issues that the Tender Offeror Group will particularly address. In order to realize our goal of making energy management business centered on storage batteries into a core business, the Company Group will be able to accelerate and promote this by utilizing the Tender Offeror Group's network and financial base, providing those together with insurance business.

The Company considered dis-synergies and disadvantages of the Transaction that may impair the Company's corporate value (while the Tender Offeror is authorized as an insurance holding company, whether there will be any dis-synergies or disadvantages for the Company due to the fact that the Tender Offeror is an insurance holding company after completion of the Transaction); however, any matter that may impair the Company's corporate value has not been detected. Therefore, the Tender Offeror and the Company amicably commenced and have continued discussions to the present.

Additionally, regarding transaction conditions, including this Tender Offer Price, as described in points (i) to (iv) below, it was concluded that the Tender Offer Price (6,500 yen) and other transaction conditions ensure the benefits to be enjoyed by the Company's minority shareholders, and this Tender Offer provides a rational opportunity for sale at a price with an appropriate premium for the Company's minority shareholders.

(i) In the Company, as described in "(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" it is acknowledged that sufficient measures have

been taken to ensure the fairness of the transaction conditions, including the Tender Offer Price, and to avoid conflicts of interest, recognizing that the interests of minority shareholders are ensured, and price was agreed upon after sincere and continuous negotiation with the Tender Offeror under such measures.

(ii) In the Report obtained from the Special Committee independent from the Tender Offeror and the Company, as stated in “(II) Establishment of an Independent Special Committee at the Company and Acquisition of the 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 to Avoid Conflicts of Interest,” it is determined that the appropriateness of the transaction conditions, including the Tender Offer Price are ensured.

(iii) Within the valuation results of the Company Share Valuation Report obtained from Daiwa Securities, which are described in “(II) Acquisition of a Share Valuation Report by the Company from an Independent Third-party Valuation Organization” in “(3) Matters concerning Valuation,” the Tender Offer Price exceeds the upper limit of the valuation result based on the market share price analysis and the median of the range of valuation results based on the DCF Analysis.

(iv) The Tender Offer Price (6,500yen) includes a premium of 67.74% over 3,875yen, the closing price of the Company’s Shares on the Prime Market of the Tokyo Stock Exchange on November 18, 2024 (i.e., the business day immediately preceding the public announcement of the commencement of this Tender Offer; a premium of 53.09% over 4,246yen, the simple average of closing prices for the past one month up to the same day; a premium of 56.44% over 4,155yen, the simple average of closing prices for the past three months up to the same day; and a premium of 58.15% over 4,110yen, the simple average of closing prices for the past six months up to the same day. This price can be deemed reasonable even when compared to the average premiums in 46 similar cases of privatization transactions aimed at making the company a wholly-owned subsidiary (except for MBO cases, the cases in which the number of voting rights represented by the shares of the target company held by the tender offeror and its special related parties, prior to the implementation of the tender offer is less than 20% of the total number of voting rights held by all shareholders of the target company) which tender offers were announced after June 28, 2019 and that became successful in Japan between June 28, 2019, when the Ministry of Economy, Trade and Industry announced the “Fair M&A Guidelines: Enhancing

Corporate Value and Securing Shareholders' Interests," and October 31, 2024, where the premium averages were 51.87% over the reference date, 52.46% over the simple average of closing prices for the past one month, 55.65% over the simple average of closing prices for the past three months, and 56.27% over the simple average of closing prices for the past six months, using the business day prior to the announcement as the reference date.

Based on the above, the Company, at its Board of Directors meeting held today, resolved to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer. For details on the method of resolution at the Board of Directors meeting described above, please refer to "(V) Approval of All Disinterested Directors at the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below.

(IV) Management policy following the Tender Offer

As a management policy for the Company after completion of the Transaction, the Tender Offeror intends to maintain the Company's current management structure, in principle, and expects the current management members to continue playing a leading role in the operation of the Company. For the purpose of ensuring appropriate governance, the Tender Offeror plans to dispatch officers, etc. to the Company; however, details will be determined through discussions between the Tender Offeror and the Company after completion of the Transaction. Furthermore, since the Tender Offeror believes that the knowledge and experience of the Company Group's employees are of importance to the operation of the Company, the Tender Offeror intends to maintain the Company Group's employees' current terms and conditions of employment, in principle, and expects them to continue their involvement in the Company Group's businesses after completion of the Transaction.

The spirit of Mr. Yutaka Kubota, the founder of the Company, still lives on in the management philosophy "Act with integrity and contribute to society through technology and engineering," and continues to flow in the hearts of the Company's employees today. Under this management philosophy, the Tender Offeror wishes to continue to operate current business segments and structures including engaging in activities related to public works, public utilities, and Official Development Assistance,

etc. in which the Company Group has been engaged over the years. Through previous cooperative activities, such as the disaster prevention consortium (CORE), the Tender Offeror sees value in the Company Group's technology and competitive advantage, and sympathizes with and understands the Company Group's management philosophy and its materiality, "building a disaster-resilient future through integrated technologies and expertise." Based on such an understanding, the Tender Offeror considers that it would be possible to continue to jointly advance the Company's mission of "making the world a better place" while respecting the Company's independence to the greatest extent possible.

(3) Matters concerning Valuation

(I) Acquisition of a Share Valuation Report and a Fairness Opinion by the Tender Offeror from an Independent Financial Advisor and Third-party Valuation Organization

In order to decide the Tender Offer Price, in mid September 2023, the Tender Offeror requested that Mitsubishi UFJ Morgan Stanley Securities, a financial advisor, as a third-party valuation organization independent of the Tender Offeror and the Company, evaluate the share value of the Company, conduct an associated financial analysis, and express an opinion on the appropriateness of the Tender Offer Price (the "Fairness Opinion").

Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Tender Offeror or the Company and does not have any material interest in the Tender Offer. Mitsubishi UFJ Morgan Stanley Securities' parent company is the same as that of MUFG Bank, Ltd. ("MUFG Bank"), Mitsubishi UFJ Trust and Banking Corporation ("MUTB"), and Mitsubishi UFJ Asset Management Co., Ltd. ("Mitsubishi UFJ Asset Management"); and MUFG Bank, MUTB, and Mitsubishi UFJ Asset Management have the status as shareholders of the Tender Offeror, and MUFG Bank, MUTB, and Mitsubishi UFJ Asset Management have the status as shareholders of the Company. In addition, MUFG Bank conducts financing transactions as part of its normal banking transactions for the Tender Offeror and the Company. According to Mitsubishi UFJ Morgan Stanley Securities, pursuant to applicable laws and regulations set forth in Article 36, paragraph (2) of the Financial Instruments and Exchange Act, and Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007; as amended), an appropriate conflict-of-interest management system including information barrier measures to strictly manage information related

to the Tender Offeror has been established and implemented as a preventive measure against adverse effects among and in each of Mitsubishi UFJ Morgan Stanley Securities, a third-party valuation organization, MUFG Bank, MUTB, and Mitsubishi UFJ Asset Management. Therefore, Mitsubishi UFJ Morgan Stanley Securities has provided services as a third-party valuation organization without being affected by decisions of MUFG Bank, MUTB, and Mitsubishi UFJ Asset Management; and it has evaluated the share value of the Company and expressed the Fairness Opinion independently from the status as a shareholder and lender of MUFG Bank, and a shareholder of MUTB and Mitsubishi UFJ Asset Management. Considering that the strict information management system has been established for information management among and in each of Mitsubishi UFJ Morgan Stanley Securities, MUFG Bank, MUTB and Mitsubishi UFJ Asset Management, and that Mitsubishi UFJ Morgan Stanley Securities has a track record as a third-party valuation organization in the same types of transactions in the past, the Tender Offeror appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation organization independent of the Tender Offeror and the Company. The fees payable to Mitsubishi UFJ Morgan Stanley Securities for the Transaction include performance fees to be paid subject to announcement of the Transaction including the Tender Offer and completion of the Transaction. The Tender Offeror appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation organization based on this fee system by determining that the independence of Mitsubishi UFJ Morgan Stanley Securities will not be precluded due to its fees, including performance fees, taking into consideration factors such as general customary practices in similar kinds of transactions and appropriateness of the fee system under which the Tender Offeror will bear a commensurate financial burden for non-completion of the Transaction.

As a result of considering the valuation methods in the Tender Offer, Mitsubishi UFJ Morgan Stanley Securities conducted assessments and analysis of the share value of the Company using each of the following methods: a market share price analysis; comparable company analysis; and discounted cash flow analysis (the “DCF Analysis”). The Tender Offeror acquired the Share Valuation Report and the Fairness Opinion as of November 18, 2024, from Mitsubishi UFJ Morgan Stanley Securities.

The valuation results of the value per share of the Company Shares by Mitsubishi UFJ Morgan Stanley Securities are as follows:

Market share price analysis: 3,875 yen to 4,246 yen

Comparable company analysis: 3,190 yen to 4,662 yen

DCF Analysis: 5,778 yen to 7,199 yen

Under the market share price analysis, with November 18, 2024 being set as the reference date, the value per share of the Company Shares is analyzed to range from 3,875 yen to 4,246 yen based on the closing price of the Company Shares on the Prime Market of the TSE as of the reference date (3,875 yen); the simple average closing price for the most recent one month (from October 21, 2024 to November 18, 2024) (4,246 yen); the simple average closing price for the most recent three months (from August 19, 2024 to November 18, 2024) (4,155 yen); and the simple average closing price for the most recent six months (from May 20, 2024 to November 18, 2024) (4,110 yen).

Under the comparable company analysis, through comparison with the market prices and financial indicators showing the profit of listed companies that deal with businesses comparatively similar to those of the Company, the share value of the Company is analyzed; and the value per share of the Company Shares is analyzed to range from 3,190 yen to 4,662 yen.

Under the DCF Analysis, based on the financial forecasts regarding the Company's future revenue forecast and investment plan on and after the first quarter of the fiscal year ending June 2025, which are made by the Tender Offeror considering various elements including the Company's business plan for fiscal years from the fiscal year ending June 2025 to the fiscal year ending June 2027 prepared by the Company, and the business plan for fiscal years from the fiscal year ending June 2025 to the fiscal year ending June 2029 prepared by the Tender Offeror, the results of the due diligence conducted on the Company, recent trends in the business performance, and publicly disclosed information, the share value of the Company was analyzed by discounting the free cash flow expected to be generated by the Company in the future to the present value using a certain discount rate, and the value per share of the Company Shares is analyzed to range from 5,778 yen to 7,199 yen. The financial forecasts used by Mitsubishi UFJ Morgan Stanley Securities under the DCF Analysis do not include fiscal years in which a substantial increase/decrease in profit is expected. In addition, the financial forecasts do not reflect the synergy effects expected to be realized by the Transaction because it is difficult to specifically estimate those synergies at present.

Based on the results of discussions and negotiations with the Company, the Tender Offeror ultimately decided at a board of directors' meeting held on November 19, 2024 that the Tender Offer Price would be 6,500 yen per share, comprehensively considering certain factors such as (i) the fact that the price exceeds the upper limit of the valuation results under the market share price analysis and the comparable company analysis stated in the Tender Offeror Share Valuation Report acquired from Mitsubishi UFJ Morgan Stanley Securities and it is within the range of the valuation results under the DCF Analysis, (ii) the fact that the Tender Offeror has acquired the Fairness Opinion from Mitsubishi UFJ Morgan Stanley Securities to the effect that it considered the Tender Offer Price of 6,500 yen per share appropriate for the Tender Offeror from a financial perspective, (iii) the fact that any matter that may particularly and significantly affect the Company's corporate value has not been found as a result of (a) conducting due diligence on the Company Group from September to November 2023, and from May to July 2024, or (b) additionally verifying the Company Group's financial and tax affairs from September to October 2024, (iv) whether the Company's board of directors should support the Tender Offer, (v) trends in the market price of the Company Shares, and (vi) the forecast for tendering shares in the Tender Offer.

The Fairness Opinion has been issued after (i) consideration of the valuation results of the Company Shares conducted by Mitsubishi UFJ Morgan Stanley Securities based on analysis and consideration of the business plan and other financial information provided by the Company, (ii) question-and-answer sessions with the Tender Offeror pertaining to the circumstances and background leading to announcement of the Tender Offer, and (iii) approval of a committee consisting of the Investment Banking Business Unit of Mitsubishi UFJ Morgan Stanley Securities and other professionals pursuant to internal procedures of Mitsubishi UFJ Morgan Stanley Securities.

The Tender Offer Price of 6,500 yen is the amount obtained by adding a premium of 67.74% to 3,875 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on November 18, 2024, the business day immediately preceding the date of the announcement regarding the Tender Offer, 53.09% to 4,246 yen, which was the simple average closing price for the past one month until that date, 56.44% to 4,155 yen, which was the simple average closing price for the past three months until that date, and 58.15% to 4,110 yen, which was the simple average closing price for the past six months until that date, respectively.

(II) Acquisition of a Share Valuation Report by the Company from an Independent Third-party Valuation Organization

(i) Name of the valuer and its relationship with the Company and the Tender Offeror

When expressing its opinion on the Tender Offer, the Company requested that its financial advisor, Daiwa Securities, a third-party valuation organization independent of the Tender Offeror and the Company, calculate the value of the Company Shares and obtained the Company Share Valuation Report of the Company Shares from Daiwa Securities on November 18, 2024.

Daiwa Securities is not a related party of the Tender Offeror or the Company and does not have any material interest in the Tender Offer. The fees payable to Daiwa Securities for the Transaction include performance fees to be paid subject to matters such as completion of the Transaction.

Furthermore, since the Company has implemented the measures to ensure fairness stated in (I) through (VII) in “(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” and considers that the fairness of the Tender Offer is sufficiently ensured, it has not obtained an opinion concerning the fairness of the Tender Offer Price (fairness opinion) from Daiwa Securities.

(ii) Overview of valuation regarding the Company Shares

As a result of considering the valuation methods to be applied in calculating the value of the Company Shares, 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, Daiwa Securities analyzed the value per share of the Company Shares using: the market share price method, which takes into consideration the trend of the market price of the Company Shares; and the DCF method, in order to reflect the details and forecasts of the Company's performance. As stated above, the Company has obtained the Company Share valuation report of the Company Shares from Daiwa Securities on November 18, 2024.

The ranges of the value per share of the Company Shares calculated using each of

the above methods are as follows:

market share price method:	3,875 yen to 4,246 yen
DCF method:	4,876 yen to 7,762 yen

Under the market share price method, with November 18, 2024 being set as the reference date, the value per share of the Company Shares was calculated to range from 3,875 yen to 4,246 yen based on the closing price of the Company Shares on the Prime Market of the TSE as of the reference date of 3,875 yen; the simple average closing price for the most recent one month of 4,246 yen; the simple average closing price for the most recent three months of 4,155 yen; and the simple average closing price for the most recent six months of 4,110 yen.

Under the DCF method, the value per share of the Company Shares was calculated to range from 4,876 yen to 7,762 yen, after analyzing the Company's corporate value and share value calculated by discounting to the current value at a certain discount rate the free cash flow that the Company is expected to generate from the fiscal year ending June 2025 based on the Company's estimated future earnings and investment plan in its business plan for a period of 3 fiscal years from the fiscal year ending June 2025 to the fiscal year ending June 2027 prepared by the Company, publicly disclosed information, and other information.

The business plan, which Daiwa Securities used for the calculation under DCF method, includes a fiscal year which anticipates significantly increased and decreased profit. Specifically, operating income for the fiscal year ending June 30, 2027 is expected to increase from 13,821 million yen to 18,145 million yen due to growth in the overseas energy business, a significant increase of approximately 31% from the previous fiscal year. Furthermore, due to changes in the amounts of investments and M&A in the fiscal years ending June 30, 2026 and June 30, 2027, it is expected that a significant decrease and increase in free cash flow from 1,596 million yen to -7,106 million yen and from -7,106 million yen to -350 million yen, respectively, during the same periods.

Furthermore, the synergies expected to be realized from execution of the Transaction have not been taken into account in the above calculation since it is difficult to precisely estimate them at this time.

(4) Possibility of Delisting and Reasons Therefor

As of the today, the Company Shares are listed on the Prime Market of the TSE. Since the Tender Offeror has not set an upper limit of the number of shares to be purchased in the Tender Offer, the Company Shares may be delisted depending on the results of the Tender Offer following the designated procedures pursuant to the delisting standards of the TSE. Even if the delisting standards do not apply to the Company Shares at the time of completion of the Tender Offer, if the Squeeze-out Procedures as described in “(5) Policy for Reorganization After the Tender Offer (Matters Concerning “Two-Step Acquisition”)” above are implemented after completion of the Tender Offer, the delisting standards of the TSE will apply and the Company Shares will be delisted following the designated procedures. The Company Shares cannot be traded on the Prime Market of the TSE after they are delisted.

(5) Policy for Reorganization After the Tender Offer (Matters Concerning “Two-Step Acquisition”)

As stated in “(I) Outline of the Tender Offer” in “(2) Grounds and Reasons for Opinion” above, if all of the Company Shares are not acquired through the Tender Offer (including the Restricted Shares and excluding the treasury shares owned by the Company and the Shares Owned by Tokio Marine & Nichido Fire Insurance), the Tender Offeror plans to implement the Squeeze-out Procedures to acquire all of the Company Shares (including the Restricted Shares and excluding the treasury shares owned by the Company; as stated in “(I) Outline of the Tender Offer” in “(2) Grounds and Reasons for Opinion,” the Shares Owned by Tokio Marine & Nichido Fire Insurance might be included depending on the approach to the Shares Owned by Tokio Marine & Nichido Fire Insurance) by the method described below after completion of the Tender Offer.

(i) Demand for Share Cash-out

If, after completion of the Tender Offer, the total number of the voting rights of the Company owned by the Tender Offeror and Tokio Marine & Nichido Fire Insurance is 90% or more of the number of the voting rights owned by all shareholders of the Company, and the Tender Offeror becomes a special controlling shareholder as defined in Article 179, paragraph (1) of the Companies Act, the Tender Offeror plans to demand that all of the shareholders of the Company (excluding the Tender Offeror

and the Company) (the “Selling Shareholders”) sell all of the Company Shares owned by them to the Tender Offeror pursuant to Section 4-2 of Chapter 2 of Part II of the Companies Act immediately after completion of the settlement of the Tender Offer (the “Demand for Share Cash-out”). In the Demand for Share Cash-out, it is planned to provide that the same amount of money as the Tender Offer Price to be delivered to the Selling Shareholders in exchange for one Company Share. In such a case, the Tender Offeror will give the Company a notice to that effect, and will seek an approval for the Demand for Share Cash-out from the Company. If the Company approves the Demand for Share Cash-out through a resolution at a board of directors’ meeting, the Tender Offeror will acquire all of the Company Shares owned by all of the Selling Shareholders from them on the acquisition date provided in the Demand for Share Cash-out, without obtaining individual approval from each Selling Shareholder, in accordance with the procedures provided by the relevant laws and regulations. In such a case, the Tender Offeror will deliver the same amount of money as the Tender Offer Price to the Selling Shareholders in exchange for one Company Share owned by them. If the Tender Offeror makes the Demand for Share Cash-out, the Company’s board of directors will approve the Demand for Share Cash-out.

Pursuant to the provisions in the Companies Act aimed at protecting minority shareholders’ rights related to the Demand for Share Cash-out, the Selling Shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) may file a petition with a court to determine the purchase price of the Company Shares owned by them under Article 179-8 of the Companies Act and other related laws and regulations. If the aforementioned petition is filed, the purchase price of the Company Shares will ultimately be determined by such court.

(ii) Share Consolidation

If, after completion of the Tender Offer, the total number of the voting rights of the Company owned by the Tender Offeror and Tokio Marine & Nichido Fire Insurance is less than 90% of the number of the voting rights owned by all shareholders of the Company, the Tender Offeror plans to request, promptly after completion of the settlement of the Tender Offer, that the Company hold a special shareholders’ meeting, whose agenda items will include implementation of a share consolidation of the Company Shares pursuant to Article 180 of the Companies Act (the “Share Consolidation”) and a partial amendment of the articles of incorporation to abolish the

provisions on share unit numbers subject to effectuation of the Share Consolidation (the “Special Shareholders’ Meeting”). The Tender Offeror plans to support each of the agenda items described above at the Special Shareholders’ Meeting. Furthermore, as of today, the Special Shareholders’ Meeting is scheduled to be held around March 2025.

If the Share Consolidation agenda is approved at the Special Shareholders’ Meeting, the Company’s shareholders will each, as of the date on which the Share Consolidation is to take effect, own the Company Shares in the number corresponding to the Share Consolidation ratio approved at the Special Shareholders’ Meeting. If the Share Consolidation results in fractional shares that are less than one share, the money to be obtained by selling the Company Shares equivalent to the sum total of such fractional shares (if the sum total contains fractional shares less than one share, the fractional shares shall be rounded down; the same applies hereinafter) to the Company or the Tender Offeror will be delivered to the Company’s shareholders among whom the Share Consolidation resulted in fractional shares, in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Company Shares equivalent to the total number of the fractional shares, the Tender Offeror plans to request that the Company file a petition for voluntary sale permission with a court, after performing a calculation so that the amount of money to be delivered to the Company’s shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) as a result of the sale will be equal to the amount calculated by multiplying the Tender Offer Price by the number of the Company Shares owned by each shareholder. Furthermore, although the consolidation ratio for the Company Shares is undetermined as of today, the Tender Offeror plans to request that the Company determine the ratio so that the number of the Company Shares owned by the Company’s shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) will be fractions that are less than one share, for the purpose of making the Tender Offeror own all of the Company Shares (excluding the treasury shares owned by the Company). The Company intends to accept this request from the Tender Offeror if the Tender Offer is successfully completed.

As the provisions aimed at protecting minority shareholders’ rights related to the Share Consolidation, the Companies Act provide that if the Share Consolidation results in fractional shares that are less than one share, the Company’s shareholders

who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) may demand that the Company purchase all of the fractional shares less than one share owned by them at a fair price and may file a petition with a court to determine the price of the Company Shares, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations.

As stated above, as a result of the Share Consolidation, the number of the Company Shares owned by the Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) will be fractions that are less than one share. Therefore, the Company's shareholders who opposes to the Share Consolidation (excluding the Tender Offeror and the Company) will be able to file the aforementioned petition. If such a petition is filed, the purchase price of the Company Shares will ultimately be determined by a court.

The procedures for the Demand for Share Cash-out and the Share Consolidation described above may be subject to change in the implementation methods and timeline, depending on amendments to relevant laws and regulations, their implementation, as well as their interpretation by relevant authorities. However, even in such cases, the methods by which money will eventually be delivered to the Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) will be adopted, and the amount of money to be delivered to the relevant shareholders in those cases will be calculated so that it will be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by the relevant shareholders. The specific procedures and timeline of the implementation in the above cases will be announced by the Company promptly after they are determined after discussions with the Tender Offeror and the Company. The purpose of the Tender Offer is not to solicit the Company's shareholders for support at the Special Shareholders' Meeting. The Company's shareholders are asked to consult with experts such as tax accountants at their own responsibility concerning the handling of tax affairs in tendering their shares in the Tender Offer or the above procedures.

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

As of today, the Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. There are no

plans for all or some of the management members of the Company to directly or indirectly invest in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a management buyout (MBO) either. However, considering that the Tender Offer will be conducted for the purpose of making the Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror and the Company have taken the measures described below to ensure the fairness of the Tender Offer Price, exclude arbitrariness and potential conflicts of interest from the decision-making process leading to the decision to conduct the Tender Offer, and ensure the fairness and transparency of the Transaction.

Among the following statements, those regarding the measures taken by the Tender Offeror are based on the explanations received from the Tender Offeror.

(I) Acquisition of a Share Valuation Report and a Fairness Opinion by the Tender Offeror from an Independent Financial Advisor and Third-party Valuation Organization

In order to decide the Tender Offer Price, in mid September 2023, the Tender Offeror requested that Mitsubishi UFJ Morgan Stanley Securities, a financial advisor, as a third-party valuation organization independent of the Tender Offeror and the Company, evaluate the share value of the Company, conduct an associated financial analysis, and express its Fairness Opinion on the appropriateness of the Tender Offer Price. Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Tender Offeror or the Company and does not have any material interest in the Transaction, including the Tender Offer.

In addition, the fees payable to Mitsubishi UFJ Morgan Stanley Securities for the Transaction include performance fees to be paid subject to announcement of the Transaction including the Tender Offer and completion of the Transaction. The Tender Offeror appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation organization based on this fee system by determining that the independence of Mitsubishi UFJ Morgan Stanley Securities will not be precluded due to its fees, including performance fees, taking into consideration factors such as general customary practices in similar kinds of transactions and appropriateness of the fee system under which the Tender Offeror will bear a commensurate financial burden for non-completion of the Transaction. For details on the preventive measures taken by Mitsubishi UFJ Morgan Stanley Securities, as well as an outline of the Tender

Offeror Share Valuation Report and the Fairness Opinion that the Tender Offeror received from Mitsubishi UFJ Morgan Stanley Securities, please see “(I) Acquisition of a Share Valuation Report and a Fairness Opinion by the Tender Offeror from an Independent Financial Advisor and Third-party Valuation Organization” in “(3) Matters concerning Valuation” above.

(II) Establishment of an Independent Special Committee at the Company and Acquisition of a Report from the Special Committee

(i) Background of Establishment

Based on the resolution of the board of directors dated April 3, 2024 and prior to deliberation and resolution at the Company’s board of directors’ meeting on the appropriateness of the Transaction including the Tender Offer, in order to eliminate arbitrariness in the Company’s decision-making concerning the Transaction including the Tender Offer, and ensure the fairness, transparency, and objectiveness of the decision-making process, the Company established the Special Committee consisting of members of which it has been confirmed that there are no issues with respect to independence from the Tender Offeror (four members in total; the Company’s independent outside directors, Mr. Hiizu Ichikawa, Mr. Kazumasa Kusaka, Ms. Yoshiko Koizumi and Ms. Yoko Ishida). The Special Committee elected Mr. Hiizu Ichikawa as the chair of the Special Committee from among its members. Furthermore, the fees payable to each member of the Special Committee are fixed amounts to be paid regardless of the content of reports; and performance fees subject to matters such as completion of the Transaction have not been adopted.

Thereafter, based on the resolution of the board of directors’ meeting above, the Company made inquiries to the Special Committee regarding (i) rationality of the purpose of the Transaction (including whether the Transaction will contribute to enhancement of the Company’s corporate value), (ii) appropriateness of the terms and conditions of the Transaction (including appropriateness of the implementation method and types of consideration of the Transaction), (iii) fairness of procedures of the Transaction (including consideration of the kind of measures to be taken to ensure fairness and to what extent), (iv) based on (i) to (iii) above and other matters, whether it will be detrimental to minority shareholders for the Company’s board of directors to decide to implement the Transaction (including the Company’s expression of an opinion on the Tender

Offer) (matters stated in (i) to (iv) are referred to as the “Inquiry Matters”), and commissioned the Special Committee to submit a report on these matters to the Company. In addition, in making these inquiries to the Special Committee, the Company’s board of directors has resolved that, when the Company’s board of directors makes a decision on the Transaction, it shall respect the opinion of the Special Committee to the greatest extent possible, and it shall not make a decision to conduct the Transaction (including expression of the Company’s opinion containing support of, and recommendation to tender in the Tender Offer) if the Special Committee considers that the Transaction is not appropriate. Furthermore, the Company’s board of directors has resolved to grant the Special Committee certain authority such as the following: (i) authority to conduct investigations for the Transaction at the Company’s expense (including making inquiries to and asking for explanations or advice regarding matters necessary for considering the Inquiry Matters from the Company’s officers or employees involved in consideration of the Transaction or the Company’s advisor for the Transaction); (ii) authority to (a) convey proposals and other opinions or inquiries as the Special Committee to the Tender Offeror and (b) request an opportunity to discuss or negotiate with the Tender Offeror (including the Tender Offeror’s advisor for the Transaction) at the Special Committee’s own discretion, and (even in the case where the Special Committee does not request such an opportunity in (b), the Company shall promptly report details of discussions or negotiations with the Tender Offeror, if any, to the Special Committee) express an opinion and provide necessary instructions or make requests to the Company regarding a policy on discussions and negotiations with the Tender Offeror based on the details of the report; and (iii) authority to, as necessary, at the Company’s expense, appoint the Special Committee’s own attorney, valuation organization, certified public accountant or other advisors, designate or ask for a change of the Company’s advisor for the Transaction, and provide necessary instructions to the Company’s advisor.

(ii) Background of Consideration

The Special Committee was convened a total of 26 times (totaling approximately 56 hours) in the period from April 3, 2024 to November 19, 2024, and has also performed its duties relating to the Consultation Matters between meetings as necessary by way of reporting, sharing information and making decisions via email, etc.

Specifically, the Special Committee first decided to appoint Nagashima Ohno &

Tsunematsu as its own legal advisor independent of both the Company and the Tender Offeror after examining its independence and expertise, and received advice starting from May 2024. Further, in October 2024, after receiving the initial price proposal from the Tender Offeror, the Special Committee appointed Nomura Securities as its own financial advisor independent of both the Company and the Tender Offeror, and has received advice on price negotiations, in particular.

In addition, the Special Committee approved the Company's appointment of Daiwa Securities as the Company's financial advisor and third-party valuation organization, and of TMI Associates as the Company's legal advisor, after confirming that there was no problem regarding their independence and expertise.

The Special Committee conducted question-and-answer sessions by way of interviews in which the Special Committee presented the inquiry matters to the Company and asked about the recognition of the current status of the Company's business, the significance and purpose of the Transaction, and the impacts of the Transaction on the Company, etc. The Special Committee interviewed the Company's ten (10) executives, including all of the executive directors, and thereby strived to organize the recognition of the current status of the Company's business and fully understand and examine the significance and purpose of the Transaction.

Moreover, the Special Committee has confirmed the reasonableness of the contents, important preconditions and drafting history, etc. of the Company's business plan that served as the basis for the valuation of the Company Shares performed by Daiwa Securities, after receiving explanations from the Company or Daiwa Securities and conducting question-and-answer sessions with respect to the foregoing. The Special Committee further confirmed the reasonableness of the contents of the Company Share Valuation Report after receiving explanations from Daiwa Securities, conducting question-and-answer sessions, deliberations and consideration with respect to the calculation methods for the valuation calculation of the Company Shares, the reasons for adopting such calculation methods, the contents of the calculation according to each calculation method, and the important preconditions thereof (including WACC and perpetual growth rate).

In addition, the Special Committee received explanations from Nagashima Ohno & Tsunematsu and TMI Associates on the measures to ensure the fairness of the procedures in the Transaction, and has been deliberating and considering the measures to ensure such fairness.

Based on the advice received from Nagashima, Ohno and Tsunematsu and Nomura Securities, the Special Committee deliberated on and considered the Company's negotiation policy, including conducting sufficient negotiations in line with the general negotiation process for M&A transactions between mutually independent third parties, and stated necessary opinions on such policy, as appropriate. Since the Company received an initial proposal for the Tender Offer Price from the Tender Offeror on October 16, 2024, the Special Committee has been substantially involved in the process of discussions and negotiations between the Company and the Tender Offeror regarding the terms and conditions of the Transaction, including the Tender Offer Price. Specifically, whenever the Company received a proposal for the Tender Offer Price from the Tender Offeror, the Special Committee received timely reports on the details of such proposal, and the progress of negotiations, etc. from the Company or Daiwa Securities, the Company's financial advisor, deliberated on and examined the content of such report while taking into consideration the advice received from Nomura Securities as well as the opinions received from Daiwa Securities, and then gave instructions and made requests to Daiwa Securities, which was in charge of negotiations with the Tender Offeror after receiving explanations in advance from Daiwa Securities on the draft negotiation policy with the Tender Offeror and the draft response to the Tender Offeror, stating its opinions as needed, and conducting question-and-answer sessions.

The Special Committee, while receiving advice from Nagashima Ohno & Tsunematsu, the Special Committee's legal advisor, has confirmed that sufficient information disclosure will be made on the drafts of the Company's press releases, etc.

(iii) Details of the Decision

Under the circumstances described above, the Special Committee has carefully discussed and examined the Consultation Matters, taking into account the legal advice received from Nagashima Ono & Tsunematsu, the advice from a financial standpoint received from Nomura Securities, and the

contents of the Company Stock Valuation Report submitted as of November 18 2024, and as a result, the Special Committee, with the unanimous consent of all members, submitted this Report on November 19, 2024 to the Company's Board of Directors as outlined below.

(I) Content of the Report

- (a) The purpose of the Transaction is considered to be reasonable as it contributes to enhancing the Company's corporate value.
- (b) The Tender Offer Price and other terms and conditions in the Tender Offer premised on the Transaction are considered to be appropriate.
- (c) The fairness of the procedures in the Transaction is considered to be ensured.
- (d) In light of (a) through (c) above, the decision of the Company's Board of Directors to conduct the Transactions, including the Tender Offer, to express its opinion in favor of the Tender Offer, and to recommend the Company Shareholders to tender their shares in the Tender Offer is not considered to be disadvantageous to the Company's minority shareholders.

(II) Reasons for the Report

- (a) Reasonableness of Purpose of the Transaction (including whether or not the Transaction contributes to enhancing the Company's corporate value)
Based on the premise of the following facts, it is considered that the Transaction will serve all of the future challenges which the Special Committee recognizes for the Company Group. Moreover, it is clear that, for the Tender Offeror, utilizing the knowledge and know-how accumulated by the Company will contribute to differentiating the Tender Offeror's business and products, which will also bring about significant synergies for the Tender Offeror. In addition, the Transaction is considered to be the fastest and most efficient means for achieving the purpose compared to other methods. On the other hand, as for the potential disadvantages of the Transaction, no serious disadvantages can be found as they can be resolved through the Company's future efforts.
Therefore, the purpose of the Transaction is considered to be reasonable as it contributes to enhancing the Company's corporate value.
- The Company Group's main businesses are consulting business, urban & space development business, and energy business. Through these businesses, the Company has contributed to creating social capital which

supports safe and secure living and to building prosperous and comfortable environments, thereby contributing to nation-building not only in Japan but also around the world, especially in developing countries. In addition, each company in the Company Group has earned the deep trust of national and local governments, in addition to governments overseas, by accumulating expertise and technical capabilities with high aspirations. In recent years, natural disasters such as earthquakes and torrential rainstorms have been increasing in Japan and overseas, and the Company has been contributing widely to reconstruction support and disaster prevention projects in disaster-stricken areas in Japan and overseas.

- In order to expand opportunities for growth, the Company will need to not only further perform its services in good faith in public works projects, but also to expand its business into the private sector, based on the knowledge and experience acquired through such public works projects; however, this involves difficulty in expanding the Company's business into the private sector and to engage in efficient market development on its own. Moreover, for future sustainable growth, it is considered to be necessary to conduct M&A transactions and to ensure surplus funds pertaining to strategic investment. Therefore, it is considered that improvement may be expected to be made in the Company's future challenges by creating the synergistic effects listed below through the Transaction:
 - (1) With regard to consulting business, disaster prevention business in the private sector, which is a new business model, will be launched as a collaborative business between the Company and the Tender Offeror after completion of the Transaction;
 - (2) Business opportunities concerning private business will also be provided with regard to urban & spatial development business and energy business, which will contribute to the Company's business expansion, through coming under the umbrella of the Tender Offeror which has a customer foundation and network;
 - (3) Use of the Tender Offeror's financial foundation is expected to expand the area covered by the urban & spatial development business as well as to enable and facilitate strategic investment including such investment in energy business; and
 - (4) The Tender Offeror has both overseas and domestic customer foundations and networks, which are considered to contribute to the

expansion of the Company's overseas business, through using such network and the financial foundation mentioned in (III) above.

- While the fact that the Tender Offeror, being in a different industry, may have a different corporate climate and culture from that of the Company, and this may become an obstacle to integrated business operations, it is advantageous to ensure the independence of the Company's operations to a certain extent, as this will allow for the exploration of the optimal relationship between the Tender Offeror and the Company. Additionally, while the Company's business neutrality may be viewed with concern by some people, due to it being seen as part of a specific corporate group by the Company's trading partners and other related parties, it is believed that such concern can be dispelled through executing business in line with the Company's management philosophy of "Act with integrity and contribute to society through technology and engineering."
- With regard to the consultation situation, etc., with the Tender Offeror pertaining to the Company's management policy, etc., after completion of the Transaction, taking the Company's stakeholders into consideration, it is confirmed that contemplation is being given to ensuring the independence of the Company's management to a certain extent, even after completion of the Transaction.
- It is necessary for the Company to not only invest a large amount of managerial resources into disaster prevention business in the private sector, which is the area to be developed in the future, but also to proceed with such matters in a prompt manner. Therefore, it is considered to be preferable for the Company to go private at once and to respond in a sincere manner and build up a system as a wholly-owned subsidiary of the Tender Offeror from the beginning, without being concerned about short-term business results or shareholder returns. Based on the above, the Transaction is a superior transaction compared to other possible measures from the perspective of enhancing the Company's corporate value, and the Transaction's scheme is considered to be fully reasonable.
- The Company has just shifted to a holding company system as a company with a nominating committee, etc., and the Transaction will be implemented immediately after such system change. Under such circumstances, it is particularly necessary to obtain the employees' understanding.

(b) Appropriateness of the terms and conditions of the Transaction (including the

appropriateness of the implementation method and the type of consideration of the Transaction)

As stated below, the Tender Offer Price can be evaluated as appropriate since it reflects the Company's intrinsic value and appropriately allocates the synergies of the Transaction to the Company's shareholders, and it is considered that the appropriateness of the terms and conditions regarding the entire Transaction, including the Tender Offer Price, is ensured from the perspective of the Company's minority shareholders.

- The Special Committee expressed its opinion to the Company in the course of the discussions and negotiations held between the Company and the Tender Offeror regarding the terms and conditions of the Transaction, such as the Tender Offer Price, and it is recognized that there has been a situation where reasonable efforts have been made with the aim of implementing the Transaction under terms and conditions that are as favorable as possible to the general shareholders, i.e., there have been sincere negotiations in an arm's-length transaction.
- With respect to the Company's business plan which is the basis for the calculation based on the DCF method in the Company Stock Valuation Report, there is no recognition of any facts such as the Tender Offeror's arbitrary pressure intervening in regard to the events leading up to the preparation of such business plan, and such business plan is considered to have been reasonably prepared.
- While there is nothing that is considered to be particularly unreasonable as to the method and details of the calculation in the Company Stock Valuation Report, and such Company Stock Valuation Report is determined to be credible, the Tender Offer Price is considered to be a price that exceeds the upper limit of the result of the calculation based on the market share price analysis and is within the scope of the result of the calculation based on the DCF analysis and exceeds the median of such result, both of which were conducted by Daiwa Securities.
- The Tender Offer Price can be evaluated as a price that includes a commensurate premium added thereto, even when compared with the average price of premiums in similar cases (46 privatization cases similar to the present case (except for MBO cases, the cases in which the number of voting rights represented by the shares of the target company held by the tender offeror and its special related parties, prior to the implementation of the tender offer is less than 20% of the total number of voting rights held by

all shareholders of the target company) which were implemented in Japan for the purpose of creating a wholly-owned subsidiary and whose tender offers have been announced after June 28, 2019 and completed during the period from June 28, 2019 (i.e., the date on which the “Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders’ Interests” were released by the Ministry of Economy, Trade and Industry) to October 31, 2024).

- The Tender Offer Price: (i) significantly exceeds the highest closing price of our stock in the past ten years and; (ii) exceeds the price per share based on the book value net asset method and the price per share based on the net asset value method (after considering latent real estate gains, etc.) at the end of the fiscal year ending June 2024.
 - The Special Committee examined the value of synergies related to the disaster prevention business in the private sector from the Transaction based on the plans under consideration by the Company’s management and the advice from Nomura Securities, and also reviewed the distribution of such synergies to the Company’s shareholders. When comprehensively judging from such review and the points set forth above, it is considered that the Tender Offer Price appropriately distributes the synergies from the Transaction to the Company’s shareholders.
 - With respect to the method of acquisition in the Transaction, the method of conducting the Tender Offer as the first step, and then conducting the Squeeze-out Procedures by making a demand for share cash-out or conducting a share consolidation as the second step, is one of the generally adopted methods in privatization transactions such as the Transaction. In addition, any shareholder who is dissatisfied with the Tender Offer Price may file a petition with a court to determine the price after requesting the purchase of such shareholder’s shares.
- (c) Fairness of the procedures in the Transaction (including consideration regarding what kind of measures should be taken to ensure fairness and to what extent such measures should be taken)

As stated below, fair procedures have been implemented with respect to the Transaction from the perspective of seeking the interests of the Company’s shareholders (including the minority shareholders) and it is considered that sufficient consideration has been given to the interests of the Company’s shareholders through such fair procedures.

- The Company has established the Special Committee which is independent of the Company and the Tender Offeror.
- The Special Committee has received professional advice from Nagashima Ohno & Tsunematsu, its own legal advisor, and Nomura Securities, its own financial advisor, both of which were appointed after confirming their independence and expertise.
- The Company has received professional advice from TMI Associates, approved by the Special Committee as the Company's legal advisor, and Daiwa Securities, approved by the Special Committee as the Company's financial advisor and third-party valuation organization, after confirming their independence and expertise.
- The Company has obtained the Company Stock Valuation Report from Daiwa Securities who is the Company's third-party valuation organization.
- The Company's decision-making related to the Transaction has been made through unanimous consent of the Company's disinterested eight directors.
- In the Transaction, the purchase period for the Tender Offer is scheduled to be 35 business days, which is longer than the minimum period prescribed in the laws and regulations, and the Company has not entered into any agreement, etc., with the Tender Offeror that would restrict any Competing Offeror (as defined below) from contacting the Company. Thus, the opportunity for other offerors to propose a competing purchase has been ensured.
- The Transaction has not adopted any scheme that does not secure the right to request the purchase of shares or the right to request a determination of the price of the shares held by the Company's shareholders who do not tender their shares in the Tender Offer upon the Squeeze-out Procedures. The Transaction is a scheme which ensures that the Squeeze-out Procedures will be implemented after the Tender Offer is successfully completed, and the amount of money to be delivered to the shareholders who do not tender their shares in the Tender Offer in the Squeeze-out Procedures is expected to be determined based on the amount equivalent to the Tender Offer Price, and such intention will be announced. Thus, it is considered that practical measures desirable for excluding coercion have been taken and that consideration has been given so as not to cause any coercion.
- With regard to the Tender Offer, it is considered that opportunities for the Company's general shareholders to make an appropriate decision based on

sufficient information will be ensured.

- (d) In light of (a) through (c) above and other matters, whether or not the Company's Board of Directors' making a decision to conduct the Transaction (including the Company's expressing its opinion on the Tender Offer) is disadvantageous to the Company's minority shareholders

As described in (a) above, the Transaction is considered to be reasonable as it contributes to enhancing the Company's corporate value, and as stated in (b) and (c) above, with regard to the entire Transaction including the Tender Offer, it is considered that the appropriateness of the Tender Offer Price and other terms and conditions is ensured from the perspective of the Company's general shareholders, and that sufficient consideration has been given to the interests of the Company's general shareholders through the fair procedures. Accordingly, the Transaction including the Tender Offer is not considered to be disadvantageous to the Company's minority shareholders. Furthermore, it is not considered to be disadvantageous to the Company's minority shareholders that the Company makes decisions to express its opinion in favor of the Tender Offer, to recommend the Company Shareholders to tender their shares in the Tender Offer and to implement the Squeeze-out Procedures which are expected to lead to delisting of the Company in the event of the successful completion of the Tender Offer.

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

In order to ensure the fairness and appropriateness of the decision-making process at the Company's board of directors meetings, the Company appointed TMI Associates as its legal advisor independent of the Tender Offeror and the Company, and obtained legal advice concerning matters such as the method and the process of decision-making and other matters to be noted in relation to decision-making by the Company's board of directors on the Tender Offer and a series of subsequent procedures. TMI Associates is not a related party of the Tender Offeror or the Company and does not have any material interest in the Tender Offer. Furthermore, the fees payable to TMI Associates for the Transaction only include time-based fees, and does not include performance fees to be paid subject to matters such as completion of the Transaction; therefore, it is

independent of completion of the Transaction.

Furthermore, as stated in “(II) Establishment of an Independent Special Committee at the Company and Acquisition 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 to Avoid Conflicts of Interest” below, on May 9, 2024, the Special Committee appointed Nagashima Ohno & Tsunematsu as its own legal advisor, and obtained legal advice concerning matters such as measures to be taken to ensure the fairness of procedures in the Transaction, and consideration of and deliberation on the Inquiry Matters (as defined below) at the Special Committee. Nagashima Ohno & Tsunematsu is not a related party of the Tender Offeror or the Company and does not have any material interest in the Tender Offer. Furthermore, the fees payable to Nagashima Ohno & Tsunematsu only include time-based fees, and does not include performance fees to be paid subject to matters such as completion of the Transaction; therefore, it is independent of completion of the Transaction.

(IV) Acquisition of a Share Valuation Report by the Company from an Independent Third-party Valuation Organization

As stated in “(II) Acquisition of a Share Valuation Report by the Company from an Independent Third-party Valuation Organization” in “(3) Matters concerning Valuation” above, when expressing its opinion on the Tender Offer, the Company requested that its financial advisor, Daiwa Securities, a third-party valuation organization independent of the Tender Offeror and the Company, calculate the value of the Company Shares and obtained the Company Share Valuation Report of the Company Shares from Daiwa Securities. Daiwa Securities is not a related party of the Tender Offeror or the Company and does not have any material interest in the Tender Offer.

(V) Approval of All Disinterested Directors at the Company

The Company's board of directors carefully discussed and deliberated on the Transaction from the perspective of improvement of the corporate value of the Company and the appropriateness of the terms and conditions of the Transaction including protection of the interests of its minority shareholders, comprehensively considering (a) the details of the Company Share Valuation Report of the Company Shares, (b) legal advice received from TMI Associates, and (c) the Report submitted

by the Special Committee.

As a result, as explained in “(III) Decision-Making Process of the Company’s Board of Directors” in “(2) Grounds and Reasons for the Opinion” above, the Company determined that the transaction condition such as the Tender Offer Price ensure the benefits to be enjoyed by the Company’s minority shareholders, and this Tender Offer provides a rational opportunity for sale at a price with an appropriate premium for the Company’s minority shareholders. Accordingly, at the board of directors’ meeting held as of today, upon unanimous approval of eight directors, the Company resolved to express an opinion in support of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer.

Furthermore, none of the eight directors who participated in the above board of directors’ meeting concurrently hold office as an officer of the Tender Offeror or otherwise has any relations with the Tender Offeror.

(VI) Securing an Objective Situation to Ensure the Fairness of the Tender Offer

While the minimum period of purchase of a tender offer set forth in the relevant laws and regulations is 20 business days, the Tender Offeror has set 35 business days as the Tender Offer Period. In addition, the Tender Offeror and the Company have not entered into any agreement containing a transaction protection clause that would prohibit or restrict the Company from contacting a competing offeror other than the Tender Offeror (a “Competing Offeror”). Thus, together with the provision of the Tender Offer Period, the Tender Offeror has confirmed that the opportunity for a competing purchase has been ensured, and given consideration to ensuring the fairness of the Tender Offer.

(VII) Measures for Securing Opportunities for the Company’s Shareholders to Appropriately Decide Whether to Tender Their Shares in the Tender Offer

As stated in “(5) Policy for Reorganization After the Tender Offer (Matters Concerning “Two-Step Acquisition”)” above, the Tender Offeror has clarified as follows: (i) promptly after completion of the settlement of the Tender Offer, it plans to make the Demand for Share Cash-out (as defined below) for all of the Company Shares (excluding the Company Shares owned by the Tender Offeror and the treasury shares owned by the Company) or request that the Company hold the Special Shareholders’ Meeting with

agenda items that include the Share Consolidation (as defined below) and a partial amendment of the articles of incorporation to abolish the provisions on share unit numbers subject to effectuation of the Share Consolidation, depending on the number of shares that the Tender Offeror will acquire due to completion of the Tender Offer, and it will not adopt any method that does not secure the right to request the purchase of shares or the right to request a determination of the price of the shares of the Company's shareholders; and (ii) when the Demand for Share Cash-out or the Share Consolidation is conducted, the amount of money to be delivered to each of the Company's shareholders (excluding the Tender Offeror and the Company) in exchange will be calculated so that it will be the same price obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by the shareholder. Therefore, the Tender Offeror has secured opportunities for the Company's shareholders to appropriately decide whether or not to tender their shares in the Tender Offer, and has thereby given consideration so as not to cause any coercion.

4. Matters concerning Material Agreements between the Tender Offeror and the Company's Shareholders regarding Tender of Shares

Not applicable.

5. Details of Provision of Benefits by the Tender Offeror or its Special Related Parties

Not applicable.

6. Response Policy relating to Fundamental Policy regarding the Control of the Company

Not applicable.

7. Inquiries to the Tender Offeror

Not applicable.

8. Request for Extending Tender Offer Period

Not applicable.

9. Future Outlook

Please see "(II) Background, Purposes and Decision-Making Process Leading to the Implementation of the Tender Offer by the Tender Offeror," "(III) Decision-making

process of the Company's Board of Directors" and "(IV) Management policy following the Tender Offer" of "(2) Grounds and reasons for the opinion," "(4) Possibility of delisting and reason therefor," and "(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition" of "3. Details of and Grounds and Reasons for the Opinion on the Tender Offer" above.

10. Other Matters Necessary for Investors to Properly Understand and Evaluate Corporate Information

(1) Publication of "Consolidated Financial Results for the First Quarter of the Fiscal Year Ending June 2025 [IFRS]"

The Company published the "Consolidated Financial Results for the first quarter of the fiscal year ending June 2025 [IFRS]" as of November 13, 2024. The overview based on such publication is as follows. For more details, please see the content of the publication.

(2) Publication of "Notice of Revision of Forecast for Year-End Dividends for the Fiscal Year Ending June 2025 (No Dividends)"

At the Board of Directors meeting held today, the Company has resolved to amend the dividend forecasts for the fiscal year ending June 2025 announced on November 13, 2024, and not to pay any year-end dividends for such fiscal year, subject to the successful completion of the Tender Offer. For more details, please see the content of the publication, "Notice of Revision of Forecast for Year-End Dividends for the Fiscal Year Ending June 2025 (No Dividends)."

End.

(Reference) "Announcement of Commencement of Tender Offer for Shares in Integrated Design & Engineering Holdings Co., Ltd. (Securities Code: 9161)" dated November 19, 2024 (Attachment)

[Translation]

November 19, 2024

To whom it may concern

Company Name:	Tokio Marine Holdings, Inc.
Representative Name:	President: Satoru Komiya (Code: 8766; TSE Prime)
Contact:	General Manager of the Global Communications Department (Stationed in the Public Relations Department of Tokio Marine & Nichido Fire Insurance Co., Ltd.) Toshihiro Yahata (TEL: 03-6704-4268)

**Notice Regarding Commencement of Tender Offer for
Shares of Integrated Design & Engineering Holdings Co., Ltd. (Securities Code: 9161)**

Tokio Marine Holdings, Inc. (the “Tender Offeror”) hereby announces that it has resolved, at the board of directors’ meeting held today, to acquire common shares of Integrated Design & Engineering Holdings Co., Ltd. (Securities Code: 9161; Prime Market of Tokyo Stock Exchange, Inc. (the “TSE”); the “Target Company”) (the “Target Company Shares”) by way of a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”) as follows:

1. Purpose of the Tender Offer

(1) Outline of the Tender Offer

At the board of directors’ meeting held on November 19, 2024, the Tender Offeror decided to conduct the Tender Offer as part of a series of transactions to acquire all of the Target Company Shares (excluding the treasury shares owned by the Target Company), and to make the Target Company a wholly-owned subsidiary of the Tender Offeror (the “Transaction”). As of today, the Tender Offeror does not own the Target Company Shares. However, Tokio Marine & Nichido Fire Insurance Co., Ltd. (“Tokio Marine & Nichido Fire Insurance”), a wholly-owned subsidiary of the Tender Offeror, owns 45,245 Target Company Shares (Ownership Ratio (Note 1): 0.30%) (“Shares Owned by Tokio Marine & Nichido Fire Insurance”).

(Note 1) “Ownership Ratio” means the ratio of the number of the relevant Target Company Shares owned by the applicable person to the number of shares (15,092,921 shares; the “Base Share Number”) obtained by adding (i) the number of newly issued shares (3,177 shares) as disclosed in the “Notice Regarding Payment Completed of New Shares as Restricted Stock Compensation to Directors” announced by the Target Company on October 25, 2024 (the “Number of Restricted Shares Dated October 25”) which is not included in the total number of issued shares as of September 30, 2024 (5,091,195 shares), to (ii) the number of shares (15,089,744 shares) remaining after subtracting the number of the treasury shares owned by the Target Company as of September 30, 2024 (1,451 shares) as disclosed in the “Consolidated Financial Results for the Three Months Ended September 30, 2024 [IFRS]” announced by the Target Company on November 13, 2024 (the “Target Company’s Q1 Financial Results”), from the total number of issued shares of the Target Company as of the same date (15,091,195 shares) as disclosed in the Target Company’s Q1 Financial Results (rounded to two decimal places; hereinafter the same applies to the calculation of the Ownership Ratio).

As of today, as aforementioned, the Tender Offeror plans not to apply for this Tender Offer concerning all Shares Owned by Tokio Marine & Nichido Fire Insurance (45,245 shares). Regarding these shares, the Tender Offeror plans to take measures to make the Target Company a wholly-owned subsidiary of the Tender Offeror, including by acquiring them as a dividend in kind after the expiration of the Tender Offer Period without paying the transfer price, with specific measures to be decided after the expiration of the Tender Offer Period.

The Tender Offeror has set 9,988,600 shares (Ownership Ratio: 66.18%) as the lower limit of the number of shares to be purchased through the Tender Offer. If the total number of shares that are offered for sale in response to the Tender Offer (the “Tendered Shares”) falls short of the lower limit of the number of shares to be purchased (9,988,600 shares), none of the Tendered Shares will be purchased. On the other hand, as stated above, since the Tender Offeror aims to make the Target Company its wholly-owned subsidiary by acquiring all of the Target Company Shares (excluding the treasury shares owned by the Target Company), the upper limit of the number of shares to be purchased has not been set; if the total number of the Tendered Shares is equal to or is more than the lower limit of the number of shares to be purchased (9,988,600 shares), all of the Tendered Shares will be purchased. The lower limit of the number of shares to be purchased (9,988,600 shares) was the number of shares obtained by (i) subtracting the number of voting rights (452 voting rights) pertaining to the Shares Owned by Tokio Marine & Nichido Fire Insurance (45,245 shares) (Note 2) and the number of voting rights (282 voting rights) pertaining to the number of shares (28,220 shares) obtained by totaling the number of restricted shares (13,473 shares) as disclosed in the “Notice Regarding Payment Completed of New Shares as Restricted Stock Compensation” announced by the Target Company on August 10, 2023, the number of restricted shares (11,570 shares) as disclosed in the “Notice Regarding Payment Completed of New Shares as Restricted Stock Compensation to Executive Officers” announced by the Target Company on August 16, 2024, and the number of Restricted Shares Dated October 25 (3,177 shares) (collectively, the “Restricted Shares”) (Note 3), from the number of voting rights obtained by multiplying the number of voting rights (150,929 voting rights) pertaining to the Base Share Number (15,092,921 shares) by 2/3 (resulting in 100,620 voting rights, rounded up to the nearest whole number), and (ii) multiplying the difference (99,886 voting rights) by the number of share units of the Target Company (100 shares). The Tender Offeror aims to make the Target Company its wholly-owned subsidiary through the Transaction, and upon implementation of the procedures for a share consolidation stated in “(4) Policy for Reorganization After the Tender Offer (Matters Concerning “Two Step Acquisition”)” below, a special resolution of a shareholders’ meeting as set forth in Article 309, paragraph (2) of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) will be required. In order to ensure that the Transaction will be conducted, the lower limit of the number of shares to be purchased has been set so that this requirement will be met through the Tender Offeror’s and Tokio Marine & Nichido Fire Insurance’s ownership of voting rights in a number equal to or more than two-thirds of all voting rights of all shareholders of the Target Company after the Tender Offer.

(Note 2) Tokio Marine & Nichido Fire Insurance is a wholly-owned subsidiary of the Tender Offeror and does not plan to tender the Shares Owned by Tokio Marine & Nichido Fire Insurance in the Tender Offer. The Tender Offeror is considering having the Shares Owned by Tokio Marine & Nichido Fire Insurance (in cases where a share consolidation is conducted during the Squeeze-out Procedures (as defined below; hereinafter the same applies), fractions equivalent to those shares) belong to the Tender Offeror through the Squeeze-out Procedures or by delivery of such shares to the Tender Offeror as dividend property after the expiration of the Tender Offer Period, if the Tender Offer is successfully completed. In any event, since Tokio Marine & Nichido Fire Insurance is expected to agree to the Squeeze-out Procedures, the Tender Offeror has subtracted the number of voting rights pertaining to the Shares Owned by Tokio Marine & Nichido Fire Insurance when considering the lower limit of the number of shares to be purchased.

(Note 3) With regard to the Restricted Shares, at the Target Company’s board of directors’ meeting held on November 19, 2024, it was resolved to express an opinion in support of the Tender Offer on the premise of delisting; and at the time of the resolution, all directors cast affirmative votes as a result of exercising their voting rights, and all executive officers not concurrently serving as directors indicated their intention to agree to the Transaction. Therefore, the Target Company’s directors and executive officers are expected to agree to the Squeeze-out Procedures if the Tender Offer is successfully completed, and the Tender Offeror has subtracted the number of voting rights pertaining to these Restricted Shares when considering the lower limit of the number of shares to be purchased.

If the Tender Offeror cannot acquire all of the Target Company Shares through the Tender Offer (including the Restricted Shares and excluding the treasury shares owned by the Target Company and the Shares Owned by Tokio Marine & Nichido Fire Insurance), the Tender Offeror plans to implement a series of procedures after completion of the Tender Offer to have the Target Company’s shareholder comprise of only the Tender Offeror and make the Target Company its wholly-owned subsidiary (the “Squeeze-out Procedures”), as stated in “(4) Policy for Reorganization After the Tender Offer (Matters Concerning “Two-Step Acquisition”)” below.

If the Tender Offer is successfully completed, the Tender Offeror plans to use its equity capital and cash on hand as funds required to settle the Tender Offer, and no new fund raising is planned.

According to the “Notice on Opinion in Support of, and Recommendation to Tender in, the Tender Offer for the Company Shares by Tokio Marine Holdings, Inc.” announced by the Target Company on November 19, 2024 (the “Target Company Press Release”), at the Target Company’s board of directors’ meeting held on November 19, 2024, the Target Company decided to express its opinion in favor of the Tender Offer and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer. For details of the decision-making process of the Target Company’s board of directors, please see the Target Company Press Release and “(v) Approval of All Disinterested Directors at 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 and to Avoid Conflicts of Interest” below.

(2) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer, and Management Policy Following the Tender Offer

(i) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer

In September 2001, Tokio Marine & Fire Insurance Co., Ltd. and Nichido Fire & Marine Insurance Co., Ltd. executed a joint share transfer agreement concerning incorporation of the wholly-owning parent company through a share transfer, and as a result, in April 2002, the Tender Offeror was incorporated as Tokio Marine Holdings, Inc. and was listed on the First Section of the TSE and the First Section of the Osaka Securities Exchange (the First Section of the Osaka Securities Exchange was integrated into the First Section of the TSE in July 2013). As a result of the restructuring of the market divisions of the TSE as of April 2022, the Tender Offeror is listed on the Prime Market of the TSE as of today.

As of March 31, 2024, the Tender Offeror group consists of the Tender Offeror and its 268 subsidiaries and 23 affiliates (hereinafter the Tender Offeror and its subsidiaries and affiliates are collectively referred to as the “Tender Offeror Group”) and engages in domestic non-life insurance, domestic life insurance, overseas insurance, and finance and other businesses.

The Tender Offeror’s corporate philosophy is to continually raise its corporate value with customer trust as the foundation of all its activities; and since its foundation, the Tender Offeror’s purpose has been to “protect our customers and society in their times of need.” The Tender Offeror has persistently grown by contributing to resolving various social issues that change with the times through its business activities. In order to continue achieving the purpose amid the accelerating changes expected in the business environment, the Tender Offeror has set its “Our long-term aspiration 2035” as becoming “A Partner that continuously provides innovative solutions” to the issues/risks of our customers and society.

In order to achieve the above, under the mid-term management plan titled “Tokio Marine Group Mid-Term Plan 2026 ~ Inspiring confidence. Accelerating progress. ~” which covers FY 2024 to FY2026, the Tender Offeror has continued pushing ahead with global risk diversification and integrated group management as its group core strategies, and has implemented its group major strategies which are “3 Pillars” of “Growth” ((i) Drastic expansion of domains where we can deliver our value, (ii) Diversification of distribution model, and (iii) Extensive improvement of productivity) and “2 Pillars” of “Discipline” ((i) strengthening and improvement of internal controls/governance and (ii) Enhancement of business portfolio and capital management).

On the other hand, according to the Target Company Press Release, the Target Company’s origins lie in Shinko Dengyo Kabushiki Kaisha, which was founded in Uchisaiwaicho, Chiyoda-ku, Tokyo in June 1946 by officers and employees mainly from Chosen Dengyo Kabushiki Kaisha, which was engaged in the development of power sources in the Korean Peninsula before World War II. The company changed its name to Nippon Koei Co., Ltd. (“Nippon Koei”) in October the following year, and after that, it made efforts to reconstruct ravaged national land infrastructure and the electric power industry in Japan, and also strove to reconstruct war-affected foreign countries. The company was listed on the Second Section of the TSE in April 1963 and designated as a First Section stock on the TSE in September 1978. Thereafter, as a result of a review of market segments of the TSE in April 2022, the listed market for the company shares was transferred from the First Section of the TSE to the Prime Market of the TSE. Furthermore, in order to strengthen management of the group from a mid- to long-term perspective and ensure future growth, the company determined that it would be optimal to transform its structure into that of a pure holding company under which a holding company would be in charge of formulation of overall group strategies and governance, and each business company would promote business operations autonomously

and flexibly; thus, in July 2023, the Target Company was established through a sole-share transfer and listed on the Prime Market of the TSE via a technical listing.

As of today, the Target Company consists of a company group comprising 100 companies including the Target Company (the Target Company, 89 subsidiaries, eight equity-method affiliates, and two equity-method jointly controlled companies) (the “Target Company Group”). The Target Company, as a holding company, engages in management and administration of its group companies and incidental or associated businesses thereto, and its group companies mainly engage in consulting business, urban & spatial development business, and energy business. An outline of each business is as described below.

1. Consulting business
Surveys, planning, assessments, design, construction supervision, management, etc. related to the maintenance and development of river and water resources, water supply and sewage facilities, and agriculture and rural communities in Japan and overseas, dams and generation of electricity, transportation (roads, railways, ports, and airports), urban and regional development, geology, disaster prevention, erosion control, environment, information systems.
2. Urban & spatial development business
Building projects, planning, design, and operation for creation of urban spaces.
3. Energy business
Production and sale of power equipment and control devices, planning, design, construction, construction supervision for mechanical, electrical, and communication facilities, and energy management utilizing distributed energy resources.

The Target Company Group values its management philosophy, “Act with integrity and contribute to society through technology and engineering,” and in order to realize its mission, “Make the world a better place” (Mission), the Target Company Group has been contributing to nation building around the world through its consulting business and energy business related to the creation of social capital which supports safe and secure living and its urban & spatial development business aimed at building prosperous and comfortable environments.

In June 2021, which marked the 75th year of its foundation, the Target Company announced its long-term management strategy titled “Global Strategy 2030” with the concept of “Working together toward a future without boundaries.” The Target Company has set numerical targets for the fiscal year ending in June 2030 of a revenue of 250 billion yen, an operating profit of 25 billion yen, an operating profit margin of 10%, and an ROE of 15%, and aims to become a corporate group which will provide new value through its pursuit of knowledge and innovation and integration of technologies by “working together” with various internal and external partners, and thereby, contribute to the realization of a society in which people can enjoy prosperity. Under its long-term management strategy, the Target Company has established three steps, i.e., “transformation,” “expansion,” and “breakthrough,” and under its mid-term management plan titled “Building Resilience 2024” (from July 2021 to June 2024) for the period of “transformation” (the first step) ending in the previous fiscal year, the Target Company promoted three resilience policies, i.e., “Boosting business through three independent domains,” “Group management structure that realizes matrix management across business and regions,” and “Embodying the ID&E Group brand and quality,” all of which were aimed at developing the foundation for realizing its long-term management strategy.

From the current fiscal year, the period of “expansion” (the second step) commenced, and the Target Company has been promoting its mid-term management plan titled “Building Growth 2027” (from July 2024 to June 2027). The Target Company has set a basic policy of “Sustainable growth in three core businesses and expansion of business fields through working together,” and has developed three growth policies, i.e., “Reforms for growth,” “Deployment of matrix management,” and “Advancements in human resources and technology.” In particular, the Target Company has expressly stated a full-scale entry into the “private market,” which it has made efforts to achieve as a future growing field since its long-term management strategy was formulated, as one of the group management policies under its mid-term management plan; thus, the Target Company has commenced efforts to fully enter the private market where further growth is expected, since the public market where the Target Company Group has earned sales thus far is currently solid. Specifically, the Target Company Group has developed a proposal-based sales approach modelled on the Good City concept under which the Target Company Group has gathered and accumulated its “knowledge” and has also presented a vision for the creation of ideal urban spaces and the direction of solutions for ten common issues with which many cities deal; furthermore, the Target Company Group has strengthened its sales activities with respect to family-controlled conglomerates (*zaibatsu*) in

emerging countries and inbound overseas companies. However, the Target Company Group understands that further consideration and preparation are necessary in order to kickstart these activities into full gear.

The business environment of the Target Company Group is becoming more uncertain due to current, global circumstances, such as the global energy and food crisis triggered by Russia's invasion of Ukraine, and increasing inflation and currency fluctuations; on the other hand, with regard to its consulting business, in domestic markets, a budget for public works for enhancing national resilience has been secured on a continuous basis, and in particular, the expansion of markets for countermeasures for large-scale natural disasters and prevention- and conservation-type infrastructure maintenance, as well as the expansion of defense-related infrastructure businesses, are expected. Furthermore, in overseas markets, the ODA budget has been increased under the "Infrastructure System Overseas Promotion Strategy 2025" led by the Japanese Government, and reconstruction assistance in conflict or disaster-stricken areas is needed. With regard to its urban & spatial development business, while there is an increasing need for rebuilding sustainable urban structures to attract ESG investments which focus on three elements, i.e., environment (E), society (S), and governance (G), in both Japan and Western countries, there is a pressing need for urban development projects, including development of traffic-related facilities and peripheral infrastructure, in developing countries. With regard to its energy business, demand for renewal of existing facilities in disrepair is expected to be strong in Japan, and in addition, there is a global trend of a shift toward renewable energy to achieve carbon neutrality by 2050. Therefore, the market environment until 2030 envisaged under the long-term management strategy and the mid-term management plan for the next term (from July 2027 to June 2030), which is the period of "breakthrough" (the third step), appears to be favorable.

As a future prospect beyond 2030, there is a possibility that financial reform, such as that involving a reduction in the budget for public works due to the accelerating, declining birthrate and aging population and an increase in social security costs in Japan, will be discussed in full. Given such an external environment, the Target Company Group believes that its social mission is to develop resilient and sustainable social capital in Japan and overseas. Amid these great changes in the needs of society, the Target Company Group will be able to add new value to existing public works, public utilities, or Official Development Assistance, etc. by collaborating with private enterprises and creating new solutions. Through provision of new services and value to society, the Target Company Group aims to become a top-tier consulting and engineering company around the world and to create the foundation as a 100-year-old company.

On the other hand, under these circumstances, the Tender Offeror has selected three social issues, i.e., "Improve Disaster Resilience," "Promoting Climate Action," and "Supporting Healthy and Spiritually Rich Living," as those that the Tender Offeror should address in particular, and has implemented strategies to resolve these issues, through which the Tender Offeror aims to create and enhance "social value" and "economic value." In the mid-term management plan, the Tender Offeror has set "Drastic expansion of domains where we can deliver our value" as one of its major strategies, and it has pushed ahead with efforts for development and implementation of solutions with the aim of expanding its business in the "pre-incident" area of insurance business including advance prevention of accidents and detection of signs of disease, and in the "post-incident" area of insurance business including quick restore and prevent recurrence.

As typical efforts, in the disaster prevention and mitigation field, (i) Tokio Marine dR Co., Ltd provides solutions, such as natural disaster risk assessments, (ii) Tokio Marine & Nichido Fire Insurance, a promoter, established a disaster prevention consortium (CORE) aimed at building a disaster-resilient society, consisting of 13 companies and organizations from diverse industries (I-Resilience Corporation, AlgoNaut Co., Ltd., Weathernews Inc., OYO Corporation, Foundation of River & Basin Integrated Communications, Secom Co., Ltd., Tokio Marine dR Co., Ltd., Nippon Koei, Nippon Telegraph and Telephone Corporation, PASCO CORPORATION, East Japan Railway Company, Boston Consulting Group, Inc. and Mitsubishi Electric Corporation) (Note 1), and (iii) Tokio Marine Resilience Co., Ltd. (established in November 2023) provides disaster prevention solutions to private enterprises. In the energy, environment, and mobility field, (i) Tokio Marine dR Co., Ltd. provides climate change and water risk assessments and information disclosure assistance, etc., (ii) Tokio Marine Smart Mobility Co., Ltd. (established in November 2023) provides mobility solutions (Note 2) to corporations, and (iii) Tokio Marine Decarbonization Business Launch Preparation Co., Ltd. (established in February 2024) provides decarbonization solutions to small and medium-sized enterprises; and in the healthcare field, (i) Tokio Marine dR Co., Ltd. provides health management consulting, etc., and (ii) a preparation company develops businesses focusing on the "pre-disease and disease prevention" field, etc.

(Note 1) CORE was established on November 24, 2021 and has conducted activities, such as dissemination of study results and knowledge to society through general meetings or subcommittee meetings, and

provision of technological matching and collaboration assistance both in and outside the consortium; for details, please see CORE's website (<https://www.bosai-core.jp/>).

- (Note 2) Tokio Marine Smart Mobility Co., Ltd. has made efforts to resolve the social issues of moving, logistics, and traffic and has provided solutions, such as (i) improved efficiency for car users and optimization of drivers' work through IoT solutions, (ii) improved efficiency in the entire industry by sharing logistics functions and collaboration across companies, and (iii) a reduction in potential waste and elimination of gaps between moving and logistic demand and supply by utilizing data and algorithms.

As stated above, the Tender Offeror has made efforts to develop business in new fields. However, the Tender Offeror has reached the conclusion that in order to further expand business to "Improve Disaster Resilience" and "Promoting Climate Action" and create value for customers, management resources (human resources, actual results, professional experience, know-how, technological capabilities, research and development capabilities, etc.), such as planning and building of projects, assessments, design, surveys, supervision, operation and maintenance, management, consulting, etc., based on engineering technologies directly leading to societal resilience, are essential. By combining them with insurance, the Tender Offeror will be able to provide customers with integrated solutions in each of the four fields related to societal resilience, i.e., "assessment" including assessing and understanding disaster risks and clarifying the greenhouse gas emission volume, "preparedness" including urban planning, disaster prevention design, tangible measures (physical measures for natural disasters) and energy optimization, "economic compensation (payment of insurance claims)" including property, construction, and compensation for profit, and "recovery/operation and maintenance" including early recovery and reconstruction from disasters, build back better planning and implementation (Note 3), recurrence prevention and operation and maintenance of facilities. Based on this conclusion, the Tender Offeror has explored and considered collaboration with external companies in order to realize the provision of comprehensive solutions in the four fields.

- (Note 1) CORE was established on November 24, 2021 and has conducted activities, such as dissemination of study results and knowledge to society through general meetings or subcommittee meetings, and provision of technological matching and collaboration assistance both in and outside the consortium; for details, please see CORE's website (<https://www.bosai-core.jp/>).
- (Note 2) Tokio Marine Smart Mobility Co., Ltd. has made efforts to resolve the social issues of moving, logistics, and traffic and has provided solutions, such as (i) improved efficiency for car users and optimization of drivers' work through IoT solutions, (ii) improved efficiency in the entire industry by sharing logistics functions and collaboration across companies, and (iii) a reduction in potential waste and elimination of gaps between moving and logistic demand and supply by utilizing data and algorithms.
- (Note 3) Build back better means the idea of aiming for recovery and reconstruction to a more resilient society than that before a disaster occurs at the stage of recovery and reconstruction after a disaster occurs in order to prepare for the occurrence of disasters in the future.

Since August 2020, the Tender Offeror and the Target Company have collaborated in the fields of disaster prevention, mobility and smart cities, etc.; and the Target Company Group has also participated as a member of the aforementioned disaster prevention consortium (CORE) since its establishment. The specific background is as follows: in and after August 2020, the Tender Offeror and the Target Company discussed and exchanged opinions on the fields of disaster prevention and mitigation, mobility and smart cities; in September 2021, the Tender Offeror proposed that the Target Company join a consortium, and the Target Company agreed thereto and participated in the consortium. In November 2021, the disaster prevention consortium (CORE) was established; thereafter, from December 2021 to March 2022, details of a subcommittee were considered; and in April 2022, the operations of the subcommittee and the consortium's activities started.

Through the collaboration and discussions with the Target Company, from August 2020 to July 2022, the Tender Offeror confirmed and understood the Target Company Group's strengths to be as follows: (i) the Target Company Group has a stable business foundation for the government and local governments based on its technological capabilities (the largest company in the construction consulting industry in Japan (based on disclosed financial materials, such as annual securities reports of companies in the industry, information databases, such as SPEEDA and Bloomberg, etc.), recording a consecutive increase in revenue in and after the fiscal year ending in March 2010), (ii) the Target Company Group has already implemented and developed solutions directly leading to the

realization of societal resilience, and (iii) the Target Company's philosophy, "realize societal resilience by integrating various technologies," is consistent with the Tender Offeror's goal.

In August 2022, the Tender Offeror began considering how to proceed with the collaboration and alliance relationship with the Target Company in the disaster prevention and mitigation field, while receiving advice from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities"), which has been engaged in ongoing discussions regarding the enhancement of the Tender Offeror's corporate value over the long term, assuming that the Tender Offeror would appoint it as a financial advisor and third-party valuation organization when the Tender Offeror and the Target Company enter into the due diligence phase, as necessary. Thereafter, the Tender Offeror asked Mitsubishi UFJ Morgan Stanley Securities to confirm that the Target Company will also gain an advantage in a collaboration or alliance with a nonlife insurance company in terms of enhancement of the Target Company's corporate value and will be interested in advancing discussions on further collaboration or alliance. The background of the request, the Tender Offeror and Target Company started their collaboration in August 2020 as stated above, however, the Tender Offeror believed that it would be necessary to contact a department or division working very closely with the Target Company's management and in charge of collaborations and alliances with external companies; with this background, in order to ask the Target Company about its interest in a collaboration or alliance by withholding the name of the Tender Offeror, the Tender Offeror asked Mitsubishi UFJ Morgan Stanley Securities to confirm the Target Company's early-stage interest. In October 2022, Mitsubishi UFJ Morgan Stanley Securities confirmed that the Target Company had an early-stage interest through meetings with the Target Company and shared the details of its meetings with the Target Company with the Tender Offeror. In November 2022, the Tender Offeror commenced initial discussions on the potential collaboration fields and alliance relationship through meetings with the Target Company, and from December 2022 to May 2023, continued discussions on the collaboration or alliance with the Target Company.

Thereafter, in June 2023, the Tender Offeror appointed Nishimura & Asahi (currently, "Nishimura & Asahi (Gaikokuho Kyodo Jigyo)"; "Nishimura & Asahi") as its legal advisor independent of the Tender Offeror and the Target Company, and began initial consideration of how to proceed with the collaboration while also receiving advice from Nishimura & Asahi, as necessary. The Tender Offeror came to believe that it will be essential to receive and analyze materials through interviews with the Target Company's management members and due diligence regarding its business in order to further advance its collaboration or alliance with the Target Company. In addition, the Tender Offeror believed that it will also be important to exchange opinions on the optimal capital structure of the Target Company, etc. with the Target Company, and strengthen the mutual relationship. In order to efficiently advance their collaboration which was promoted previously, for the purpose of building a stronger relationship than one of a simple business alliance and accelerating their efforts to improve management efficiency and generate synergies, the Tender Offeror and the Target Company reached a memorandum of understanding to consider a business collaboration in line with their capital relationship and executed a memorandum of understanding on August 29, 2023. At that time, the Tender Offeror and the Target Company had not discussed or negotiated the Transaction or the terms and conditions related to the Transaction.

After the execution of the memorandum of understanding between the Tender Offeror and the Target Company, in mid September 2023, the Tender Offeror appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and a third-party valuation organization independent of the Tender Offeror and the Target Company. From September to November 2023, the Tender Offeror conducted due diligence on the Target Company Group. Thereafter, from December 2023 to mid-January 2024, the Tender Offeror repeatedly discussed the target business of the Tender Offeror with the Target Company, the optimal capital structure of the Target Company, generation of synergy effects and advantages, while receiving advice from Mitsubishi UFJ Morgan Stanley Securities and Nishimura & Asahi, as necessary. Until that time, the Tender Offeror and the Target Company discussed services and solutions related to their collaboration; however, details, such as the capital transaction structure or the Tender Offeror's approximate share holding ratio in the Target Company, had not been determined between the Tender Offeror and the Target Company, and they had not discussed or negotiated the Transaction or the terms and conditions related to the Transaction.

From late January to early March 2024, the Tender Offeror and the Target Company repeatedly discussed the Tender Offeror's approximate share holding ratio in the Target Company, and in mid-March 2024, the Tender Offeror reached the following conclusion through analyses and research conducted previously and determined that the Target Company is the most appropriate partner for the Tender Offeror. As a result, the Tender Offeror commenced discussions on the Transaction and the terms and conditions related to the Transaction with the Target Company. They considered dis-synergies and disadvantages of the Transaction that may impair the Target Company's corporate value (while the Tender Offeror is authorized as an insurance holding company, whether there will be any dis-synergies or disadvantages for the Target Company due to the fact that the Tender Offeror is

an insurance holding company after completion of the Transaction); however, any matter that may impair the Target Company's corporate value has not been detected. Therefore, the Tender Offeror and the Target Company amicably commenced and have continued discussions to the present.

First, the Target Company Group's business mainly consists of three business segments, i.e., consulting business (surveys, planning, assessments, design, construction supervision, management, etc. related to the maintenance and development of river and water resources, water supply and sewage facilities, and agriculture and rural communities in Japan and overseas, dams and generation of electricity, transportation (roads, railways, ports, and airports), urban and regional development, geology, disaster prevention, erosion control, environment, information systems), urban & spatial development business (building projects, planning, design, operation, etc. for creation of urban spaces), and energy business (production and sale of power equipment and control devices, planning, design, construction, construction supervision for mechanical, electrical, and communication facilities, and energy management utilizing distributed energy resources). As a result of analyses and consideration, the Tender Offeror has reached the conclusion that if the Transaction with the Target Company is realized, the Tender Offeror will be able to develop broader business through the collaboration with the Target Company Group's three business segments, to broadly provide domestic and overseas customers with comprehensive solutions into which insurance and technologies are integrated in each of the four business fields mentioned above (assessment, preparedness, economic compensation, and recovery/operation and maintenance), and to greatly increase momentum towards societal resilience (this will also lead to a "drastic expansion of domains where it can deliver its value" and the creation of "social value" and "economic value" through measures to "Improve Disaster Resilience" and "Promoting Climate Action" as set forth in the Tender Offeror's mid-term management plan).

Second, if the capital alliance is conducted while the Target Company's listing is maintained, the Target Company will be forced to engage in operations independent of the Tender Offeror to a certain extent in order to protect the interests of its shareholders other than the Tender Offeror, and it is assumed that information which can be shared between the Tender Offeror and the Target Company will be limited from the perspective of information management; thus, it is concerned that certain limitations will be imposed on the sharing of mutual management resources and know-how and prompt decision-making.

Third, the Tender Offeror and the Target Company have reached the conclusion that they will be able to create the synergy effects and advantages described below.

(a) Utilization of the Tender Offeror Group's Customer Base and Network Channels

The Tender Offeror Group has a system in place to provide insurance products and services that are consistent with customer needs through the customer base and networks that it has in Japan and overseas. The Tender Offeror believes that provision of the Target Company Group's services and solutions to domestic and overseas customers will be possible via a point of contact with customers of the Tender Offeror Group's insurance business, which will accelerate a "full-scale entry into the private market," one of the group management policies that the Target Company Group has established.

(b) Utilization of Capital Policies and Financial Base of the Tender Offeror Group

The Tender Offeror Group has implemented the "disciplined capital policies" under which it has reviewed internal growth and portfolios, made business investments and shareholder returns using the capital and funds created through an acceleration of the sale of cross-held stocks, and strove to improve the ROE. The Tender Offeror believes that the Target Company will be able to continue growing and expand its business fields by utilizing the Tender Offeror Group's capital policies and financial base as mentioned above and appropriately allocating capital and funds while appropriately controlling for risks with respect to the Target Company's business fields.

(c) Utilization of Human Resources of the Tender Offeror Group

In terms of human resources, the Tender Offeror Group has more than 40,000 employees in Japan and overseas who have various skills and the expertise required for business operation, such as asset management, risk management, management planning, legal affairs and compliance, publicity and IR, accounting and finance, and IT, in addition to sales related to insurance business, claims services, actuarial science, product development, insurance-related affairs, etc. Therefore, the Tender Offeror believes that the Tender Offeror Group will be able to provide personnel assistance in accordance with the Target Company Group's needs.

From May to July 2024, the Tender Offeror conducted additional due diligence on the Target Company Group on the premise of the Transaction. From September to October 2024, the Tender Offeror additionally verified the Target Company Group's financial and tax affairs and conducted interviews with the Target Company Group's management members to understand the details of the Target Company Group's management and business; thus, the Tender Offeror and the Target Company have proceeded with discussions and consideration regarding specific measures to create business synergies. Based on the results of the analyses and consideration, the Tender Offeror came to believe that the Transaction should be conducted; and after a report at the Tender Offeror's board of directors' meeting held on October 16, 2024, on the same day, the Tender Offeror submitted a non-legally binding document to the Target Company which included various terms and conditions, such as the purchase price per Target Company Share in the Tender Offer (the "Tender Offer Price") and the number of shares to be purchased on the premise that the Tender Offeror will make the Target Company its wholly-owned subsidiary, and proposed the Transaction with the tender offer price of 4,700 yen per Target Company Share (the "Initial Proposal Price"). The Initial Proposal Price is the amount obtained by adding a premium (10.33%, 10.48%, 17.71%, and 13.39%) (rounded to two decimal places; hereinafter the same applies to the calculation of premiums) to 4,260 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on October 15, 2024, the business day immediately preceding October 16, 2024, and 4,254 yen, 3,993 yen, and 4,145 yen (rounded up to the nearest whole number; hereinafter the same applies to the calculation of simple average closing prices), which were the simple average closing prices for the past one month (from September 17, 2024 to October 15, 2024), the past three months (from July 16, 2024 to October 15, 2024), and the past six months (from April 16, 2024 to October 15, 2024), respectively. In response thereto, on October 17, 2024, the Tender Offeror was requested by the Target Company to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities (as defined in "(ii) Decision-making Process Leading to the Target Company's Decision to Support the Tender Offer, and Reasons Therefor" in "(2) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer, and Management Policy Following the Tender Offer" below; the same applies hereinafter) and TMI Associates after obtaining an opinion from the Special Committee (as defined in "(ii) Decision-making Process Leading to the Target Company's Decision to Support the Tender Offer, and Reasons Therefor" in "(2) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer, and Management Policy Following the Tender Offer" below; the same applies hereinafter); therefore, on October 22, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 5,250 yen per Target Company Share (the "Second Proposal Price"). The Second Proposal Price is the amount obtained by adding a premium (21.11%, 22.06%, 31.09%, and 26.72%) to 4,335 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on October 21, 2024, the business day immediately preceding October 22, 2024, and 4,301 yen, 4,005 yen, and 4,143 yen, which were the simple average closing prices for the past one month (from September 24, 2024 to October 21, 2024), the past three months (from July 22, 2024 to October 21, 2024), and the past six months (from April 22, 2024 to October 21, 2024), respectively. In response thereto, on October 23, 2024, the Tender Offeror was requested by the Target Company to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee; therefore, on October 28, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 5,400 yen per Target Company Share (the "Third Proposal Price"). The Third Proposal Price is the amount obtained by adding a premium (27.36%, 25.38%, 34.26%, and 30.50%) to 4,240 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on October 25, 2024, the business day immediately preceding October 28, 2024, and 4,307 yen, 4,022 yen, and 4,138 yen, which were the simple average closing prices for the past one month (from September 26, 2024 to October 25, 2024), the past three months (from July 26, 2024 to October 25, 2024), and the past six months (from April 26, 2024 to October 25, 2024), respectively. In response thereto, on October 28, 2024, the Tender Offeror was requested by the Target Company to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee stating that the Third Proposal Price was neither a price which sufficiently considered interests of the Target Company's minority shareholders nor a price at a level from which completion of the Tender Offer could be expected; therefore, on November 4, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 5,700 yen per Target Company Share (the "Fourth Proposal Price"). The Fourth Proposal Price is the amount obtained by adding a premium (34.28%, 32.16%, 40.64%, and 37.81%) to 4,245 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on November 1, 2024, the business day immediately preceding November 4, 2024, and 4,313 yen, 4,053 yen, and 4,136 yen, which were the simple average closing prices for the past one month (from October 2, 2024 to November 1, 2024), the past three months (from August 2, 2024 to November 1, 2024), and the past six months (from May 2, 2024 to November 1, 2024), respectively. In response thereto, on November 5,

2024, the Tender Offeror was requested by the Target Company to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee stating that the Fourth Proposal Price did not sufficiently consider the interests of our minority shareholders when considering the net asset level including the latent gains of the company's real estate, the synergies between the offeror and the company, and the recent trends in the premium levels of other privatization cases; therefore, on November 10, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 6,200 yen per Company Share (the "Fifth Proposal Price"). The Fifth Proposal Price is the amount obtained by adding a premium (44.86%, 44.02%, 50.41%, and 50.12%) to 4,280 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on November 8, 2024, the business day immediately preceding November 10, 2024, and 4,305 yen, 4,122 yen, and 4,130 yen, which were the simple average closing prices for the past one month (from October 9, 2024 to November 8, 2024), the past three months (from August 9, 2024 to November 8, 2024), and the past six months (from May 9, 2024 to November 8, 2024), respectively. Moreover, the price-to-book ratio (PBR) of the Target Company based on the Fifth Proposal Price exceeded 1, and the premium level was said to be not inferior compared to recent trends recognized by the Tender Offeror in other privatization cases, and the Tender Offeror made a re-proposal under the appreciation that it offered an attractive opportunity for shareholders of the Target Company to sell their shares. In response thereto, on November 11, 2024, the Tender Offeror was requested by the Target Company to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee stating that the recent trends of premium levels of other privatization cases (an average premium of about 63% against the stock price before the announcement) and the synergies between the Tender Offeror and the Target Company, and concluded that at this Fifth Proposal Price, expressing approval for this Tender Offer and recommending application was not possible; therefore, on November 14, 2024, the Tender Offeror submitted a legally binding document which included various terms and conditions, such as the Tender Offer Price (however, such document is conditional upon the resolution of the Board of Directors of the Tender Offeror on November 19, 2024, to commence the Tender Offer), and proposed the Transaction with the tender offer price of 6,500 yen per Company Share (the "Final Proposal Price"). The Final Proposal Price is the amount obtained by adding a premium (55.88%, 51.13%, 56.74%, and 57.65%) to 4,170 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on November 13, 2024, the business day immediately preceding November 14, 2024, and 4,301 yen, 4,147 yen, and 4,123 yen, which were the simple average closing prices for the past one month (from October 15, 2024 to November 13, 2024), the past three months (from August 14, 2024 to November 13, 2024), and the past six months (from May 14, 2024 to November 13, 2024), respectively. In response thereto, on November 15, 2024, the Tender Offeror received the opinion from the Target Company to accept the final proposal on the condition that extraordinary Board of Directors meeting held on November 19, 2024, passed a resolution to express approval for this Tender Offer and recommend application to our shareholders.

Through these discussions and negotiations, the Tender Offeror resolved at the Board of Directors meeting on November 19, 2024, to proceed with the Tender Offer, setting the Tender Offer Price at 6,500 yen (For details on the Tender Offer Price, please see "Basis for Valuation" and "Background of Valuation" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Shares to Be Purchased" below.).

(Note) Among the privatization tender offer cases, aimed at making the company a wholly-owned subsidiary in Japan, announced and completed between June 28, 2019, when the Ministry of Economy, Trade and Industry announced the 'Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders' Interests' and August 31, 2024, similar cases to this one (cases of tender offers by third parties with the aim of taking a company private, where the number of voting rights held by the tender offeror, including those of specially related parties, before the tender offer is less than 5% of the total number of voting rights of the target company) the average premium for 46 cases against the closing price on the trading day before the announcement was 50.89%, 54.28%, 56.23%, and 58.42%, respectively.

(ii) Decision-making Process Leading to the Target Company's Decision to Support the Tender Offer, and Reasons Therefor

According to the Target Company Press Release, in early August, 2023, the Target Company received an oral proposal from the Tender Offeror to discuss measures to make the Target Company its wholly-owned subsidiary through the Tender Offer, etc. In order to deliberate on whether to commence discussions with the Tender Offeror in response to the proposal and to further deliberate on the implementation of the Transaction, in late August 2023, the Target Company appointed TMI Associates as a legal advisor independent of the Tender Offeror and the Target Company, and in late September 2023, Daiwa Securities Co., Ltd. ("Daiwa Securities") as its financial advisor

and third-party valuation organization independent of the Tender Offeror and the Target Company, respectively. Furthermore, based on the advice of TMI Associates, the Target Company immediately began to establish a system to deliberate, negotiate, and make decisions with regard to the Transaction from the perspective of improving the Target Company's corporate value and ensuring the interests of the Target Company's shareholders from a position independent of the Tender Offeror in order to ensure fairness of the Transaction.

Subsequently, the Tender Offeror conducted due diligence on the Target Company to investigate the feasibility of the Transaction from September to November 2023, and simultaneously discussed the significance and purpose of the Tender Offer, synergies expected to be created by the Tender Offer, the management structure and business policy, as well as industry outlook after the Tender Offer, based on a multifaceted and comprehensive analysis of the business, financials, and future plans of the Target Company.

In mid March 2024, the Target Company received a proposal regarding the Transaction from the Tender Offeror to make the Target Company its wholly-owned subsidiary through the Tender Offer. In response, in mid March 2024, the Target Company provided a response to the Tender Offeror to the effect that it would proceed with deliberations concerning the Transaction from the perspective of improving the Target Company's corporate value and ensuring the interests of the Target Company's shareholders. In early April 2024, in order to eliminate arbitrariness in the Target Company's decision-making concerning the Transaction including the Tender Offer, and ensure the fairness, transparency, and objectiveness of the decision-making process, the Target Company established a special committee as its advisory organ (the "Special Committee"), and has been holding multiple rounds of discussions and negotiations with the Tender Offeror concerning the purpose of the Transaction, the management structure and business policy after of the Transaction, and the terms and conditions of the Transaction. For the confirmation status of the independence of the Special Committee and the fee system of members comprising the Special Committee, please see "(iv) Establishment of an Independent Special Committee at the Target Company and Acquisition of a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below.

Additionally, as described in "(iv) Establishment of an Independent Special Committee at the Target Company and Acquisition of a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest", the Special Committee appointed Nomura Securities Co., Ltd. ("Nomura Securities") as its independent financial advisor in October 2024, and Nagashima Ohno & Tsunematsu as its independent legal advisor in May 2024, based on the authority granted to the Special Committee.

Furthermore, with respect to the Tender Offer Price, since receiving a proposal from the Tender Offeror to set the Tender Offer Price at 4,700 yen per share on October 16, 2024, the Target Company has been conducting full-scale discussions and deliberations with the Tender Offeror. Specifically, as stated above, on October 16, 2024, the Target Company received a proposal from the Tender Offeror to set the Tender Offer Price at 4,700 yen, which was the amount obtained by adding a premium (10.33%, 10.48%, 17.71%, and 13.39%) to 4,260 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on October 15, 2024 (i.e., the business day immediately preceding October 16, 2024), and to 4,254 yen, 3,993 yen, and 4,145 yen, which were the respective simple average closing prices for the past one month (from September 17, 2024 to October 15, 2024), the past three months (from July 16, 2024 to October 15, 2024), and the past six months (from April 16, 2024 to October 15, 2024). In response thereto, on October 17, 2024, the Target Company requested the Tender Offeror to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from a Special Committee.

In response thereto, on October 22, 2024, the Target Company received from the Tender Offeror a second proposal document which included a proposal to set the Tender Offer Price at 5,250 yen per Company Share, which was the amount obtained by adding a premium (21.11%, 22.06%, 31.09%, and 26.72%) to 4,335 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on October 21, 2024 (i.e., the business day immediately preceding October 22, 2024), and to 4,301 yen, 4,005 yen, and 4,143 yen, which were the respective simple average closing prices for the past one month (from September 24, 2024 to October 21, 2024), the past three months (from July 22, 2024 to October 21, 2024), and the past six months (from April 22, 2024 to October 21, 2024). In response thereto, on October 23, 2024, the Target Company again requested the Tender Offeror to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from the Special Committee.

In response thereto, on October 28, 2024, the Target Company received from the Tender Offeror a third proposal document which included a proposal to set the Tender Offer Price at 5,400 yen per Company Share, which was the amount obtained by adding a premium (27.36%, 25.38%, 34.26%, and 30.50%) to 4,240 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on October 25, 2024 (the business day immediately preceding October 28, 2024), and to 4,307 yen, 4,022 yen, and 4,138 yen, which were the respective simple average closing prices for the past one month (from September 26, 2024 to October 25, 2024), the past three months (from July 26, 2024 to October 25, 2024), and the past six months (from April 26, 2024 to October 25, 2024). In response thereto, on October 28, 2024, the Target Company again requested the Tender Offeror to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from the Special Committee, as the Tender Offer Price in the third proposal document (i.e., 5,400 yen) was neither a price which sufficiently considered interests of the Target Company's minority shareholders nor a price at a level from which completion of the Tender Offer could be expected.

In response to the above, on November 4, 2024, the Target Company received from the Tender Offeror a fourth proposal document which included a proposal to set the Tender Offer Price at 5,700 yen per Company Share, which was the amount obtained by adding a premium (34.28%, 32.16%, 40.64%, and 37.81%) to 4,245 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on November 1, 2024 (i.e., the business day immediately preceding November 4, 2024), and to 4,313 yen, 4,053 yen, and 4,136 yen, which were the respective simple average closing prices for the past one month (from October 2, 2024 to November 1, 2024), the past three months (from August 2, 2024 to November 1, 2024), and the past six months (from May 2, 2024 to November 1, 2024). In response thereto, on November 5, 2024, the Target Company again requested the Tender Offeror to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from the Special Committee, stating that the Tender Offer Price in the fourth proposal document (i.e., 5,700 yen) was neither a price which sufficiently considered interests of the Target Company's minority shareholders, nor a price at a level from which completion of the Tender Offer could be expected, and does not sufficiently reflect the Target Company's intrinsic value.

In response thereto, on November 10, 2024, the Target Company received from the Tender Offeror a fifth proposal document which included a proposal to set the Tender Offer Price at 6,200 yen per Company Share, which was the amount obtained by adding a premium (44.86%, 44.02%, 50.41%, and 50.12%) to 4,280 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on November 8, 2024 (i.e., the business day immediately preceding November 10, 2024), and to 4,305 yen, 4,122 yen, and 4,130 yen, which were the respective simple average closing prices for the past one month (from October 9, 2024 to November 8, 2024), the past three months (from August 9, 2024 to November 8, 2024), and the past six months (from May 9, 2024 to November 8, 2024). In response thereto, on November 11, 2024, the Target Company requested the Tender Offeror to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from the Special Committee stating that the Tender Offer Price in the fifth proposal document (i.e., 6,200 yen) should take into consideration an assessment of synergies expected from new business initiatives to be engaged in with the Tender Offeror, despite the price being close to the intrinsic value that has taken latent gain on real estate into consideration.

In response thereto, on November 14, 2024, the Target Company received from the Tender Offeror a sixth proposal document which included a proposal to set the Tender Offer Price at 6,500 yen per Company Share, which was the amount obtained by adding a premium (55.88%, 51.13%, 56.74%, and 57.65%) to 4,170 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on November 13, 2024 (i.e., the business day immediately preceding November 14, 2024), and to 4,301 yen, 4,147 yen, and 4,123 yen, which were the respective simple average closing prices for the past one month (from October 15, 2024 to November 13, 2024), the past three months (from August 14, 2024 to November 13, 2024), and the past six months (from May 14, 2024 to November 13, 2024). In response thereto, on November 15, 2024, as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates and after obtaining an opinion from the Special Committee, the Target Company accepted and agreed to the proposal in the sixth proposal document on the condition that the Board of Directors meeting to be held on November 19, 2024 passes a resolution to the effect that it approves of expressing approval for the Tender Offer and recommending the Target Company's shareholders to apply for the Tender Offer, with the recognition that the Tender Offer Price in the sixth proposal document (i.e., 6,500 yen) is a price that has taken the interests of the Target Company's minority shareholders into consideration.

In light of the background described above, the Target Company's Board of Directors carefully discussed and examined the Transaction from the viewpoint of the appropriateness of the terms and conditions of the Transaction, including the enhancement of the Target Company's corporate value and the protection of the interests of minority

shareholders, while comprehensively taking into account the contents of the Share Valuation Report (the "Company Share Valuation Report") pertaining to the value of the Target Company Shares obtained from Daiwa Securities on November 18, 2024, the legal advice from TMI Associates, and the contents of the report (the "Report") submitted by the Special Committee on November 19, 2024.

As a result, since the synergies described in (i) through (iii) below are expected, the Target Company has concluded that the Transaction, including the Tender Offer, will contribute to enhancing the Target Company's corporate value as follows:

As mentioned above, the founding spirit of the Target Company Group has been inherited as a management philosophy of "Acting with sincerity and contributing to society through technology and engineering" and has continued to grow by providing solutions centered on the accumulation of knowledge represented by technology to address evolving global societal issues. As the Target Company's corporate name Integrated Design & Engineering suggests, the Target Company has been honing our expertise in the three domains of "consulting," "urban & spatial development," and "energy," while continuously maintaining the mission to "making the world a better place."

On the other hand, since its inception, the Tender Offeror Group has grown sustainably by contributing to solving various social issues evolving over time under the purpose of "protecting the 'emergency' of our customers and society" through its business activities. In particular, three social challenges have been selected: "Improving Disaster Resilience," "Promoting Climate Action," and "Supporting Healthy and Spiritually Rich Living," and the development and implementation of solutions in the "pre" and "post" regions of the insurance business are being promoted.

While the Tender Offeror and the Target Company have pursued different approaches utilizing their respective areas of expertise thus far, it was confirmed that their goals are the same. The Tender Offeror and the Target Company aim to achieve the common goal by combining the strengths of their areas of expertise, creating new services and values, and then further advance the Target Company Group's mission of "making the world a better place to live" strongly.

It was concluded that the Transaction does not alter but rather advances the execution of the management philosophy and mission of the Target Company Group, with the following specific benefits anticipated:

(i) Creation of new business through co-creation

To continuously contribute to solving global societal issues that evolve with time, it is necessary to aggregate diverse insights and ideas and constantly take on new challenges. Creating new services and values by combining "technology" and "insurance" is the very embodiment of the "spirit of challenge" advocated by the Target Company Group's founder, Yutaka Kubota, and is recognized as an important opportunity to lay the foundation as a century-old company.

(ii) Full-scale entry into the private market

Though the Target Company Group has contributed to creating a "making the world a better place to live" centered on public works, public services, and official development assistance, the development of customer contacts in the private sector is said to be halfway there. By leveraging the "technology" of the Target Company Group and the "network of private customers domestically and internationally" of the Tender Offeror Group, it is recognized that it is expected to accelerate the full-scale entry into the private market, which the Target Company Group has been engaging in, driving up overall growth of the Target Company Group.

(iii) Financial base and human resources to execute various measures based on medium- and long-term strategies

To execute various measures based on the medium- and long-term strategies of the Target Company Group and steadily expand the business, continuous investment in growth areas and various skills and expertise necessary for developing new businesses are indispensable. By leveraging the financial foundation and the rich human resources, which have operated a company group with over 40,000 employees, of the Tender Offeror Group, it is recognized that dynamic and speedy growth investment and group management can be realized.

In addition, the following co-creation synergies are anticipated in each business segment of the Target Company Group:

(i) Consulting Segment

It is meaningful to create new business in the field of "private disaster prevention consulting," which combines insurance and technology to provide end-to-end solutions to domestic and international customers, mainly private companies, in four areas of "current situation assessment," "implementation of countermeasures," "financial compensation," and "restoration and maintenance."

It is recognized that similar businesses could be created not only in the field of disaster prevention, but also in the fields of the environment (climate change and decarbonization) and mobility.

(ii) Urban & Spatial Development Segment

By utilizing the Target Company Group's knowledge of "urban & spatial development" field, as exemplified by The Good City concept, the Target Company Group will be able to provide ex-ante solutions such as urban designs that incorporate perspectives of disaster resilience and decarbonization in response to the (re)development needs of local governments and privately owned land both in Japan and overseas, as well as ex-post proposals such as highly sustainable architectural designs during the recovery phase after a disaster.

(iii) Energy Segment

One of the factors cited for the increasing severity of disasters in recent years is global warming caused by greenhouse gases and the associated climate change. Expanding the use of renewable energy etc. and promoting climate change countermeasures have been clearly stated as one of the social issues that the Tender Offeror Group will particularly address. In order to realize our goal of making energy management business centered on storage batteries into a core business, the Target Company Group will be able to accelerate and promote this by utilizing the Tender Offeror Group's network and financial base, providing those together with insurance business.

The Company considered dis-synergies and disadvantages of the Transaction that may impair the Target Company's corporate value (while the Tender Offeror is authorized as an insurance holding company, whether there will be any dis-synergies or disadvantages for the Target Company due to the fact that the Tender Offeror is an insurance holding company after completion of the Transaction); however, any matter that may impair the Target Company's corporate value has not been detected. Therefore, the Tender Offeror and the Target Company amicably commenced and have continued discussions to the present.

Additionally, regarding transaction conditions, including this Tender Offer Price, as described in points (i) to (iv) below, it was concluded that the Tender Offer Price (6,500 yen) and other transaction conditions ensure the benefits to be enjoyed by the Target Company's minority shareholders, and this Tender Offer provides a rational opportunity for sale at a price with an appropriate premium for the Target Company's minority shareholders.

(i) In the Target Company, as described in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" it is acknowledged that sufficient measures have been taken to ensure the fairness of the transaction conditions, including the Tender Offer Price, and to avoid conflicts of interest, recognizing that the interests of minority shareholders are ensured, and price was agreed upon after sincere and continuous negotiation with the Tender Offeror under such measures.

(ii) In the Report obtained from the Special Committee independent from the Tender Offeror and the Target Company, as stated in "(iv) Establishment of an Independent Special Committee at the Target Company and Acquisition of the Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest," it is determined that the appropriateness of the transaction conditions, including the Tender Offer Price are ensured.

(iii) Within the valuation results of the Target Company Share Valuation Report obtained from Daiwa Securities, which are described in "(ii) Acquisition of a Stock Valuation Report by the Target Company from an Independent Third-party Valuation Organization" in "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest," the Tender Offer Price exceeds the upper limit of the valuation result based on the market share price analysis and the median of the range of valuation results based on the DCF Analysis.

(iv) The Tender Offer Price (6,500yen) includes a premium of 67.74% over 3,875yen, the closing price of the Target Company's Shares on the Prime Market of the Tokyo Stock Exchange on November 18, 2024 (i.e., the

business day immediately preceding the public announcement of the commencement of this Tender Offer; a premium of 53.09% over 4,246yen, the simple average of closing prices for the past one month up to the same day; a premium of 56.44% over 4,155yen, the simple average of closing prices for the past three months up to the same day; and a premium of 58.15% over 4,110yen, the simple average of closing prices for the past six months up to the same day. This price can be deemed reasonable even when compared to the average premiums in 46 similar cases of privatization transactions aimed at making the company a wholly-owned subsidiary (except for MBO cases, the cases in which the number of voting rights represented by the shares of the target company held by the tender offeror and its special related parties, prior to the implementation of the tender offer is less than 20% of the total number of voting rights held by all shareholders of the target company) which tender offers were announced after June 28, 2019 and that became successful in Japan between June 28, 2019, when the Ministry of Economy, Trade and Industry announced the “Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders’ Interests,” and October 31, 2024, where the premium averages were 51.87% over the reference date, 52.46% over the simple average of closing prices for the past one month, 55.65% over the simple average of closing prices for the past three months, and 56.27% over the simple average of closing prices for the past six months, using the business day prior to the announcement as the reference date.

Based on the above, the Target Company, at its Board of Directors meeting held today, resolved to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer. For details on the method of resolution at the Board of Directors meeting described above, please refer to “(v) Approval of All Disinterested Directors at 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 and to Avoid Conflicts of Interest” below.

(iii) Management Policy Following the Tender Offer

As a management policy for the Target Company after completion of the Transaction, the Tender Offeror intends to maintain the Target Company’s current management structure, in principle, and expects the current management members to continue playing a leading role in the operation of the Target Company. For the purpose of ensuring appropriate governance, the Tender Offeror plans to dispatch officers, etc. to the Target Company; however, details will be determined through discussions between the Tender Offeror and the Target Company after completion of the Transaction. Furthermore, since the Tender Offeror believes that the knowledge and experience of the Target Company Group’s employees are of importance to the operation of the Target Company, the Tender Offeror intends to maintain the Target Company Group’s employees’ current terms and conditions of employment, in principle, and expects them to continue their involvement in the Target Company Group’s businesses after completion of the Transaction.

The spirit of Mr. Yutaka Kubota, the founder of the Target Company, still lives on in the management philosophy “Act with integrity and contribute to society through technology and engineering,” and continues to flow in the hearts of the Target Company’s employees today. Under this management philosophy, the Tender Offeror wishes to continue to operate conventional business structures including engaging in activities related to public works, public utilities, and Official Development Assistance, etc. in which the Target Company Group has been engaged over the years. Through previous cooperative activities, such as the disaster prevention consortium (CORE), the Tender Offeror sees value in the Target Company Group’s technology and competitive advantage, and sympathizes with and understands the Target Company Group’s management philosophy and its direction, namely, “realizing a tenacious society through the integration of diverse technologies.” Based on such an understanding, the Tender Offeror considers that it would be possible to continue to jointly promote the Target Company’s mission of “making the world a better place” while respecting the Target Company’s independence to the greatest extent possible.

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

As of today, the Target Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. There are no plans for all or some of the management members of the Target Company to directly or indirectly invest in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a management buyout (MBO) either. However, considering that the Tender Offer will be conducted for the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror and the Target Company have taken the measures described below to ensure the fairness of the Tender Offer Price, exclude arbitrariness and potential conflicts of interest from the decision-making process leading to the decision to conduct the Tender Offer, and ensure the fairness and transparency of the Transaction.

Among the following statements, those regarding the measures taken by the Target Company are based on the Target Company Press Release and the explanations received from the Target Company.

(i) Acquisition of a Stock Valuation Report and a Fairness Opinion by the Tender Offeror from an Independent Financial Advisor and Third-party Valuation Organization

In order to decide the Tender Offer Price, in mid September 2023, the Tender Offeror requested that Mitsubishi UFJ Morgan Stanley Securities, a financial advisor, as a third-party valuation organization independent of the Tender Offeror and the Target Company, evaluate the share value of the Target Company, conduct an associated financial analysis, and express an opinion on the appropriateness of the Tender Offer Price (the “Fairness Opinion”). Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Transaction, including the Tender Offer.

In addition, the fees payable to Mitsubishi UFJ Morgan Stanley Securities for the Transaction include performance fees to be paid subject to announcement of the Transaction including the Tender Offer and completion of the Transaction. The Tender Offeror appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation organization based on this fee system by determining that the independence of Mitsubishi UFJ Morgan Stanley Securities will not be precluded due to its fees, including performance fees, taking into consideration factors such as general customary practices in similar kinds of transactions and appropriateness of the fee system under which the Tender Offeror will bear a commensurate financial burden for non-completion of the Transaction. For details on the preventive measures taken by Mitsubishi UFJ Morgan Stanley Securities, as well as an outline of the stock valuation report concerning the share value of the Target Company (the “Stock Valuation Report”) and the Fairness Opinion that the Tender Offeror received from Mitsubishi UFJ Morgan Stanley Securities, please see “(i) Basis for Valuation” and “(ii) Background of Valuation” in “(4) Basis for Valuation of the Purchase Price” in “2. Overview of Purchase” below.

(ii) Acquisition of a Stock Valuation Report by the Target Company from an Independent Third-party Valuation Organization

According to the Target Company Press Release, when expressing its opinion on the Tender Offer, the Target Company requested that its financial advisor, Daiwa Securities, a third-party valuation organization independent of the Tender Offeror and the Target Company, calculate the value of the Target Company Shares and obtained a stock valuation report of the Target Company Shares from Daiwa Securities on November 18, 2024.

Daiwa Securities is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer. The fees payable to Daiwa Securities for the Transaction include performance fees to be paid subject to matters such as completion of the Transaction.

Furthermore, since the Target Company has implemented the measures to ensure fairness stated in (i) through (vii) in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” and considers that the fairness of the Tender Offer is sufficiently ensured, it has not obtained an opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) from Daiwa Securities.

As a result of considering the valuation methods to be applied in calculating the value of the Target Company Shares, and assuming that the Target Company is a going concern and keeping in mind that it is appropriate to evaluate the value of the Target Company Shares from various perspectives, Daiwa Securities analyzed the value per share of the Target Company Shares using: the average market share price method, which takes into consideration the trend of the market price of the Target Company Shares; and the DCF method, in order to reflect the details and forecasts of the Target Company’s performance. As stated above, the Target Company has obtained a stock valuation report of the Target Company Shares from Daiwa Securities on November 18, 2024.

The ranges of the value per share of the Target Company Shares calculated using each of the above methods are as follows:

Average market share price method:	3,875 yen to 4,246 yen
DCF method:	4,876 yen to 7,762 yen

Under the average market share price method, with November 18, 2024 being set as the reference date, the value per share of the Target Company Shares was calculated to range from 3,875 yen to 4,246 yen based on the closing price of the Target Company Shares on the Prime Market of the TSE as of the reference date of 3,875 yen; the simple average closing price for the most recent one month of 4,246 yen; the simple average closing price for the most recent three months of 4,155 yen; and the simple average closing price for the most recent six months of 4,110 yen.

Under the DCF method, the value per share of the Target Company Shares was calculated to range from 4,876 yen to 7,762 yen, after analyzing the Target Company's corporate value and share value calculated by discounting to the current value at a certain discount rate the free cash flow that the Target Company is expected to generate from the fiscal year ending June 2025 based on the Target Company's estimated future earnings and investment plan in its business plan for a period of 3 fiscal years from the fiscal year ending June 2025 to the fiscal year ending June 2027 prepared by the Target Company, publicly disclosed information, and other information.

The business plan, which Daiwa Securities used for the calculation under DCF Analysis, includes a fiscal year which anticipates significantly increased and decreased profit. Specifically, operating income for the fiscal year ending June 30, 2027 is expected to increase from 13,821 million yen to 18,145 million yen due to growth in the overseas energy business, a significant increase of approximately 31% from the previous fiscal year. Furthermore, 2026 and June 30, 2027, it is expected that a significant decrease and increase in free cash flow from 1,596 million yen to -7,106 million yen and from -7,106 million yen to -350 million yen, respectively, during the same periods.

Furthermore, the synergies expected to be realized from execution of the Transaction have not been taken into account in the above calculation since it is difficult to precisely estimate them at this time.

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

According to the Target Company Press Release, in order to ensure the fairness and appropriateness of the decision-making process at the Target Company's board of directors meetings, the Target Company appointed TMI Associates as its legal advisor independent of the Tender Offeror and the Target Company, and obtained legal advice concerning matters such as the method and the process of decision-making and other matters to be noted in relation to decision-making by the Target Company's board of directors meetings on the Tender Offer and a series of subsequent procedures. TMI Associates is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer. Furthermore, the fees payable to TMI Associates for the Transaction only include time-based fees, and does not include performance fees to be paid subject to matters such as completion of the Transaction; therefore, it is independent of completion of the Transaction.

Furthermore, as stated in "(iv) Establishment of an Independent Special Committee at the Target Company and Acquisition of a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below, on May 9, 2024, the Special Committee appointed Nagashima Ohno & Tsunematsu as its own legal advisor, and obtained legal advice concerning matters such as measures to be taken to ensure the fairness of procedures in the Transaction, and consideration of and deliberation on the Inquiry Matters (as defined below) at the Special Committee. Nagashima Ohno & Tsunematsu is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer. Furthermore, the fees payable to Nagashima Ohno & Tsunematsu only include time-based fees, and does not include performance fees to be paid subject to matters such as completion of the Transaction; therefore, it is independent of completion of the Transaction.

(iv) Establishment of an Independent Special Committee at the Target Company and Acquisition of a Report from the Special Committee

(a) Background of Establishment

According to the Target Company Press Release, based on the resolution of the board of directors dated April 3, 2024 and prior to deliberation and resolution at the Target Company's board of directors' meeting on the appropriateness of the Transaction including the Tender Offer, in order to eliminate arbitrariness in the Target Company's decision-making concerning the Transaction including the Tender Offer, and ensure the fairness, transparency, and objectiveness of the decision-making process, the Target Company established the Special Committee consisting of members of which it has been confirmed that there are no issues with respect to independence from the Tender Offeror (four members in total; the Target Company's independent outside directors, Mr. Hiizu Ichikawa, Mr. Kazumasa Kusaka, Ms. Yoshiko Koizumi and Ms. Yoko Ishida). The Special

Committee elected Mr. Hiizu Ichikawa as the chair of the Special Committee from among its members. Furthermore, the fees payable to each member of the Special Committee are fixed amounts to be paid regardless of the content of reports; and performance fees subject to matters such as completion of the Transaction have not been adopted.

Thereafter, based on the resolution of the board of directors' meeting above, the Target Company made inquiries to the Special Committee regarding (i) rationality of the purpose of the Transaction (including whether the Transaction will contribute to enhancement of the Target Company's corporate value), (ii) appropriateness of the terms and conditions of the Transaction (including appropriateness of the implementation method and types of consideration of the Transaction), (iii) fairness of procedures of the Transaction (including consideration of what kind of measures to be taken to ensure fairness and to what extent), (iv) based on (i) to (iii) above and other matters, whether it will be detrimental to minority shareholders for the Target Company's board of directors to decide to implement the Transaction (including the Target Company's expression of an opinion on the Tender Offer) (matters stated in (i) to (iv) are referred to as the "Inquiry Matters"), and commissioned the Special Committee to submit a report on these matters to the Target Company. In addition, in making these inquiries to the Special Committee, the Target Company's board of directors has resolved that, when the Target Company's board of directors makes a decision on the Transaction, it shall respect the opinion of the Special Committee to the greatest extent possible, and it shall not make a decision to conduct the Transaction (including expression of the Target Company's opinion containing support of, and recommendation to tender in the Tender Offer) if the Special Committee considers that the Transaction is not appropriate. Furthermore, the Target Company's board of directors has resolved to grant the Special Committee certain authority such as the following: (i) authority to conduct investigations for the Transaction at the Target Company's expense (including making inquiries to and asking for explanations or advice regarding matters necessary for considering the Inquiry Matters from the Target Company's officers or employees involved in consideration of the Transaction or the Target Company's advisor for the Transaction); (ii) authority to (a) convey proposals and other opinions or inquiries as the Special Committee to the Tender Offeror and (b) request an opportunity to discuss or negotiate with the Tender Offeror (including the Tender Offeror's advisor for the Transaction) at the Special Committee's own discretion, and (even in the case where the Special Committee does not request such an opportunity in (b), the Target Company shall promptly report details of discussions or negotiations with the Tender Offeror, if any, to the Special Committee) express an opinion and provide necessary instructions or make requests to the Target Company regarding a policy on discussions and negotiations with the Tender Offeror based on the details of the report; and (iii) authority to, as necessary, at the Target Company's expense, appoint the Special Committee's own attorney, valuation organization, certified public accountant or other advisors, designate or ask for a change of the Target Company's advisor for the Transaction, and provide necessary instructions to the Target Company's advisor.

The Special Committee was convened a total of 26 times (totaling approximately 56 hours) in the period from April 3, 2024 to November 19, 2024, and has also performed its duties relating to the Consultation Matters between meetings as necessary by way of reporting, sharing information and making decisions via email, etc.

Specifically, the Special Committee first decided to appoint Nagashima Ohno & Tsunematsu as its own legal advisor independent of both the Target Company and the Tender Offeror after examining its independence and expertise, and received advice starting from May 2024. Further, in October 2024, after receiving the initial price proposal from the Tender Offeror, the Special Committee appointed Nomura Securities as its own financial advisor independent of both the Target Company and the Tender Offeror, and has received advice on price negotiations, in particular.

In addition, the Special Committee approved the Target Company's appointment of Daiwa Securities as the Target Company's financial advisor and third-party valuation organization, and of TMI Associates as the Target Company's legal advisor, after confirming that there was no problem regarding their independence and expertise.

(b) Background of Consideration

The Special Committee conducted question-and-answer sessions by way of interviews in which the Special Committee presented the inquiry matters to the Target Company and asked about the recognition of the current status of the Target Company's business, the significance and purpose of the Transaction, and the impacts of the Transaction on the Target Company, etc. The Special Committee interviewed the Target Company's ten (10) executives, including all of the executive directors, and thereby strived to organize the recognition of the current status of the Target Company's business and fully understand and examine the significance and purpose of the Transaction.

Moreover, the Special Committee has confirmed the reasonableness of the contents, important preconditions and drafting history, etc. of the Target Company's business plan that served as the basis for the valuation of the Target Company Shares performed by Daiwa Securities, after receiving explanations from the Target Company or Daiwa Securities and conducting question-and-answer sessions with respect to the foregoing. The Special Committee further confirmed the reasonableness of the contents of the Target Company Share Valuation Report after receiving explanations from Daiwa Securities, conducting question-and-answer sessions, deliberations and consideration with respect to the calculation methods for the valuation calculation of the Target Company Shares, the reasons for adopting such calculation methods, the contents of the calculation according to each calculation method, and the important preconditions thereof (including WACC and perpetual growth rate).

In addition, the Special Committee received explanations from Nagashima Ohno & Tsunematsu and TMI Associates on the measures to ensure the fairness of the procedures in the Transaction, and has been deliberating and considering the measures to ensure such fairness.

Based on the advice received from Nagashima, Ohno and Tsunematsu and Nomura Securities, the Special Committee deliberated on and considered the Target Company's negotiation policy, including conducting sufficient negotiations in line with the general negotiation process for M&A transactions between mutually independent third parties, and stated necessary opinions on such policy, as appropriate. Since the Target Company received an initial proposal for the Tender Offer Price from the Tender Offeror on October 16, 2024, the Special Committee has been substantially involved in the process of discussions and negotiations between the Target Company and the Tender Offeror regarding the terms and conditions of the Transaction, including the Tender Offer Price. Specifically, whenever the Target Company received a proposal for the Tender Offer Price from the Tender Offeror, the Special Committee received timely reports on the details of such proposal, and the progress of negotiations, etc. from the Target Company or Daiwa Securities, the Target Company's financial advisor, deliberated on and examined the content of such report while taking into consideration the advice received from Nomura Securities as well as the opinions received from Daiwa Securities, and then gave instructions and made requests to Daiwa Securities, which was in charge of negotiations with the Tender Offeror after receiving explanations in advance from Daiwa Securities on the draft negotiation policy with the Tender Offeror and the draft response to the Tender Offeror, stating its opinions as needed, and conducting question-and-answer sessions. The Special Committee, while receiving advice from Nagashima Ohno & Tsunematsu, the Special Committee's legal advisor, has confirmed that sufficient information disclosure will be made on the drafts of the Target Company's press releases, etc.

(c) Details of Decision

Under the circumstances described above, the Special Committee has carefully discussed and examined the Consultation Matters, taking into account the legal advice received from Nagashima Ono & Tsunematsu, the advice from a financial standpoint received from Nomura Securities, and the contents of the Target Company Stock Valuation Report submitted as of November 18 2024, and as a result, the Special Committee, with the unanimous consent of all members, submitted this Report on November 19, 2024 to the Target Company's Board of Directors as outlined below.

(I) Content of the Report

- (a) The purpose of the Transaction is considered to be reasonable as it contributes to enhancing the Target Company's corporate value.
- (b) The Tender Offer Price and other terms and conditions in the Tender Offer premised on the Transaction are considered to be appropriate.
- (c) The fairness of the procedures in the Transaction is considered to be ensured.
- (d) In light of (a) through (c) above, the decision of the Target Company's Board of Directors to conduct the Transactions, including the Tender Offer, to express its opinion in favor of the Tender Offer, and to recommend the Target Company Shareholders to tender their shares in the Tender Offer is not considered to be disadvantageous to the Target Company's minority shareholders.

(II) Reasons for the Report

- (a) Reasonableness of Purpose of the Transaction (including whether or not the Transaction contributes to enhancing the Target Company's corporate value)

Based on the premise of the following facts, it is considered that the Transaction will serve all of the future

challenges which the Special Committee recognizes for the Target Company Group. Moreover, it is clear that, for the Tender Offeror, utilizing the knowledge and know-how accumulated by the Target Company will contribute to differentiating the Tender Offeror's business and products, which will also bring about significant synergies for the Tender Offeror. In addition, the Transaction is considered to be the fastest and most efficient means for achieving the purpose compared to other methods. On the other hand, as for the potential disadvantages of the Transaction, no serious disadvantages can be found as they can be resolved through the Target Company's future efforts.

Therefore, the purpose of the Transaction is considered to be reasonable as it contributes to enhancing the Target Company's corporate value.

- The Company Group's main businesses are consulting business, urban & space development business, and energy business. Through these businesses, the Target Company has contributed to creating social capital which supports safe and secure living and to building prosperous and comfortable environments, thereby contributing to nation-building not only in Japan but also around the world, especially in developing countries. In addition, each company in the Target Company Group has earned the deep trust of national and local governments, in addition to governments overseas, by accumulating expertise and technical capabilities with high aspirations. In recent years, natural disasters such as earthquakes and torrential rainstorms have been increasing in Japan and overseas, and the Target Company has been contributing widely to reconstruction support and disaster prevention projects in disaster-stricken areas in Japan and overseas.
- In order to expand opportunities for growth, the Target Company will need to not only further perform its services in good faith in public works projects, but also to expand its business into the private sector, based on the knowledge and experience acquired through such public works projects; however, this involves difficulty in expanding the Target Company's business into the private sector and to engage in efficient market development on its own. Moreover, for future sustainable growth, it is considered to be necessary to conduct M&A transactions and to ensure surplus funds pertaining to strategic investment. Therefore, it is considered that improvement may be expected to be made in the Target Company's future challenges by creating the synergistic effects listed below through the Transaction:
 - (1) With regard to consulting business, disaster prevention business in the private sector, which is a new business model, will be launched as a collaborative business between the Target Company and the Tender Offeror after completion of the Transaction;
 - (2) Business opportunities concerning private business will also be provided with regard to urban & spatial development business and energy business, which will contribute to the Target Company's business expansion, through coming under the umbrella of the Tender Offeror which has a customer foundation and network;
 - (3) Use of the Tender Offeror's financial foundation is expected to expand the area covered by the urban & spatial development business as well as to enable and facilitate strategic investment including such investment in energy business; and
 - (4) The Tender Offeror has both overseas and domestic customer foundations and networks, which are considered to contribute to the expansion of the Target Company's overseas business, through using such network and the financial foundation mentioned in (III) above.
- While the fact that the Tender Offeror, being in a different industry, may have a different corporate climate and culture from that of the Target Company, and this may become an obstacle to integrated business operations, it is advantageous to ensure the independence of the Target Company's operations to a certain extent, as this will allow for the exploration of the optimal relationship between the Tender Offeror and the Target Company. Additionally, while the Target Company's business neutrality may be viewed with concern by some people, due to it being seen as part of a specific corporate group by the Target Company's trading partners and other related parties, it is believed that such concern can be dispelled through executing business in line with the Target Company's management philosophy of "Act with integrity and contribute to society through technology and engineering."
- With regard to the consultation situation, etc., with the Tender Offeror pertaining to the Target Company's management policy, etc., after completion of the Transaction, taking the Target Company's stakeholders into consideration, it is confirmed that contemplation is being given to ensuring the independence of the Target Company's management to a certain extent, even after completion of the Transaction.
- It is necessary for the Target Company to not only invest a large amount of managerial resources into disaster prevention business in the private sector, which is the area to be developed in the future, but also to proceed with such matters in a prompt manner. Therefore, it is considered to be preferable for the Target Company to go private at once and to respond in a sincere manner and build up a system as a wholly-owned subsidiary of the Tender Offeror from the beginning, without being concerned about short-term business results or shareholder returns. Based on the above, the Transaction is a

superior transaction compared to other possible measures from the perspective of enhancing the Target Company's corporate value, and the Transaction's scheme is considered to be fully reasonable.

- The Company has just shifted to a holding company system as a company with a nominating committee, etc., and the Transaction will be implemented immediately after such system change. Under such circumstances, it is particularly necessary to obtain the employees' understanding.

(b) Appropriateness of the terms and conditions of the Transaction (including the appropriateness of the implementation method and the type of consideration of the Transaction)

As stated below, the Tender Offer Price can be evaluated as appropriate since it reflects the Target Company's intrinsic value and appropriately allocates the synergies of the Transaction to the Target Company's shareholders, and it is considered that the appropriateness of the terms and conditions regarding the entire Transaction, including the Tender Offer Price, is ensured from the perspective of the Target Company's minority shareholders.

- The Special Committee expressed its opinion to the Target Company in the course of the discussions and negotiations held between the Target Company and the Tender Offeror regarding the terms and conditions of the Transaction, such as the Tender Offer Price, and it is recognized that there has been a situation where reasonable efforts have been made with the aim of implementing the Transaction under terms and conditions that are as favorable as possible to the general shareholders, i.e., there have been sincere negotiations in an arm's-length transaction.
- With respect to the Target Company's business plan which is the basis for the calculation based on the DCF method in the Target Company Stock Valuation Report, there is no recognition of any facts such as the Tender Offeror's arbitrary pressure intervening in regard to the events leading up to the preparation of such business plan, and such business plan is considered to have been reasonably prepared.
- While there is nothing that is considered to be particularly unreasonable as to the method and details of the calculation in the Target Company Stock Valuation Report, and such Company Stock Valuation Report is determined to be credible, the Tender Offer Price is considered to be a price that exceeds the upper limit of the result of the calculation based on the market share price analysis and is within the scope of the result of the calculation based on the DCF analysis and exceeds the median of such result, both of which were conducted by Daiwa Securities.
- The Tender Offer Price can be evaluated as a price that includes a commensurate premium added thereto, even when compared with the average price of premiums in similar cases (46 privatization cases similar to the present case (except for MBO cases, the cases in which the number of voting rights represented by the shares of the target company held by the tender offeror and its special related parties, prior to the implementation of the tender offer is less than 20% of the total number of voting rights held by all shareholders of the target company) which were implemented in Japan for the purpose of creating a wholly-owned subsidiary and whose tender offers have been announced after June 28, 2019 and completed during the period from June 28, 2019 (i.e., the date on which the "Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders' Interests" were released by the Ministry of Economy, Trade and Industry) to October 31, 2024).
- The Tender Offer Price: (i) significantly exceeds the highest closing price of our stock in the past ten years and; (ii) exceeds the price per share based on the book value net asset method and the price per share based on the net asset value method (after considering latent real estate gains, etc.) at the end of the fiscal year ending June 2024.
- The Special Committee examined the value of synergies related to the disaster prevention business in the private sector from the Transaction based on the plans under consideration by the Target Company's management and the advice from Nomura Securities, and also reviewed the distribution of such synergies to the Target Company's shareholders. When comprehensively judging from such review and the points set forth above, it is considered that the Tender Offer Price appropriately distributes the synergies from the Transaction to the Target Company's shareholders.
- With respect to the method of acquisition in the Transaction, the method of conducting the Tender Offer as the first step, and then conducting the Squeeze-out Procedures by making a demand for share cash-out or conducting a share consolidation as the second step, is one of the generally adopted methods in privatization transactions such as the Transaction. In addition, any shareholder who is dissatisfied with the Tender Offer Price may file a petition with a court to determine the price after requesting the purchase of such shareholder's shares.

(c) Fairness of the procedures in the Transaction (including consideration regarding what kind of measures should be taken to ensure fairness and to what extent such measures should be taken)

As stated below, fair procedures have been implemented with respect to the Transaction from the perspective of seeking the interests of the Target Company's shareholders (including the minority shareholders) and it is considered that sufficient consideration has been given to the interests of the Target Company's shareholders through such fair procedures.

- The Company has established the Special Committee which is independent of the Target Company and the Tender Offeror.
- The Special Committee has received professional advice from Nagashima Ohno & Tsunematsu, its own legal advisor, and Nomura Securities, its own financial advisor, both of which were appointed after confirming their independence and expertise.
- The Company has received professional advice from TMI Associates, approved by the Special Committee as the Target Company's legal advisor, and Daiwa Securities, approved by the Special Committee as the Target Company's financial advisor and third-party valuation organization, after confirming their independence and expertise.
- The Company has obtained the Target Company Stock Valuation Report from Daiwa Securities who is the Target Company's third-party valuation organization.
- The Company's decision-making related to the Transaction has been made through unanimous consent of the Target Company's disinterested eight directors.
- In the Transaction, the purchase period for the Tender Offer is scheduled to be 35 business days, which is longer than the minimum period prescribed in the laws and regulations, and the Target Company has not entered into any agreement, etc., with the Tender Offeror that would restrict any Competing Offeror from contacting the Target Company. Thus, the opportunity for other offerors to propose a competing purchase has been ensured.
- The Transaction has not adopted any scheme that does not secure the right to request the purchase of shares or the right to request a determination of the price of the shares held by the Target Company's shareholders who do not tender their shares in the Tender Offer upon the Squeeze-out Procedures. The Transaction is a scheme which ensures that the Squeeze-out Procedures will be implemented after the Tender Offer is successfully completed, and the amount of money to be delivered to the shareholders who do not tender their shares in the Tender Offer in the Squeeze-out Procedures is expected to be determined based on the amount equivalent to the Tender Offer Price, and such intention will be announced. Thus, it is considered that practical measures desirable for excluding coercion have been taken and that consideration has been given so as not to cause any coercion.
- With regard to the Tender Offer, it is considered that opportunities for the Target Company's general shareholders to make an appropriate decision based on sufficient information will be ensured.

- (d) In light of (a) through (c) above and other matters, whether or not the Target Company's Board of Directors' making a decision to conduct the Transaction (including the Target Company's expressing its opinion on the Tender Offer) is disadvantageous to the Target Company's minority shareholders

As described in (a) above, the Transaction is considered to be reasonable as it contributes to enhancing the Target Company's corporate value, and as stated in (b) and (c) above, with regard to the entire Transaction including the Tender Offer, it is considered that the appropriateness of the Tender Offer Price and other terms and conditions is ensured from the perspective of the Target Company's general shareholders, and that sufficient consideration has been given to the interests of the Target Company's general shareholders through the fair procedures.

Accordingly, the Transaction including the Tender Offer is not considered to be disadvantageous to the Target Company's minority shareholders. Furthermore, it is not considered to be disadvantageous to the Target Company's minority shareholders that the Target Company makes decisions to express its opinion in favor of the Tender Offer, to recommend the Target Company Shareholders to tender their shares in the Tender Offer and to implement the Squeeze-out Procedures which are expected to lead to delisting of the Target Company in the event of the successful completion of the Tender Offer.

- (v) Approval of All Disinterested Directors at the Target Company

According to the Target Company Press Release, the Target Company's board of directors carefully discussed and deliberated on the Transaction from the perspective of improvement of the corporate value of the Target Company and the appropriateness of the terms and conditions of the Transaction including protection of the interests of its minority shareholders, comprehensively considering (a) the details of the stock valuation report of the Target Company Shares, (b) legal advice received from TMI Associates, and (c) the Report submitted by the Special Committee.

As a result, as explained in “(ii) Decision-making Process Leading to the Target Company’s Decision to Support the Tender Offer, and Reasons Therefor” in “(2) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer, and Management Policy Following the Tender Offer” above, the Target Company determined that the transaction condition such as the Tender Offer Price ensure the benefits to be enjoyed by the Target Company’s minority shareholders, and this Tender Offer provides a rational opportunity for sale at a price with an appropriate premium for the Target Company’s minority shareholders. Accordingly, at the board of directors’ meeting held on November 19, 2024, upon unanimous approval of all the eight directors, the Target Company resolved to express an opinion in support of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

Furthermore, none of the directors who participated in the above board of directors’ meeting concurrently hold office as an officer of the Tender Offeror or otherwise has any relations with the Tender Offeror.

(vi) Securing an Objective Situation to Ensure the Fairness of the Tender Offer

While the minimum period of purchase of a tender offer set forth in the relevant laws and regulations is 20 business days, the Tender Offeror has set 35 business days as the Tender Offer Period. In addition, the Tender Offeror and the Target Company have not entered into any agreement containing a transaction protection clause that would prohibit or restrict the Target Company from contacting a competing offeror other than the Tender Offeror (a “Competing Offeror”). Thus, together with the setting of the Tender Offer Period, the Tender Offeror has confirmed that the opportunity for a competing purchase has been ensured, and given consideration to ensuring the fairness of the Tender Offer.

(vii) Measures for Securing Opportunities for the Target Company’s Shareholders to Appropriately Decide Whether to Tender Their Shares in the Tender Offer

As stated in “(4) Policy for Reorganization After the Tender Offer (Matters Concerning “Two-Step Acquisition”)” below, the Tender Offeror has clarified as follows: (i) promptly after completion of the settlement of the Tender Offer, it plans to make the Demand for Share Cash-out (as defined below) for all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror and the treasury shares owned by the Target Company) or request that the Target Company hold a special shareholders’ meeting with agenda items that include the Share Consolidation (as defined below) and a partial amendment of the articles of incorporation to abolish the provisions on share unit numbers subject to effectuation of the Share Consolidation, depending on the number of shares that the Tender Offeror will acquire due to completion of the Tender Offer, and it will not adopt any method that does not secure the right to request the purchase of shares or the right to request a determination of the price of the shares of the Target Company’s shareholders; and (ii) when the Demand for Share Cash-out or the Share Consolidation is conducted, the amount of money to be delivered to each of the Target Company’s shareholders (excluding the Tender Offeror and the Target Company) in exchange will be calculated so that it will be the same price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by the shareholder. Therefore, the Tender Offeror has secured opportunities for the Target Company’s shareholders to appropriately decide whether or not to tender their shares in the Tender Offer, and has thereby given consideration so as not to cause any coercion.

(4) Policy for Reorganization After the Tender Offer (Matters Concerning “Two-Step Acquisition”)

As stated in “(1) Outline of the Tender Offer” above, if all of the Target Company Shares are not acquired through the Tender Offer (including the Restricted Shares and excluding the treasury shares owned by the Target Company and the Shares Owned by Tokio Marine & Nichido Fire Insurance), the Tender Offeror plans to implement the Squeeze-out Procedures to acquire all of the Target Company Shares (including the Restricted Shares and excluding the treasury shares owned by the Target Company). As stated in “(1) Outline of the Tender Offer” above, the Shares Owned by Tokio Marine & Nichido Fire Insurance might be included depending on the response policy of Tokio Marine & Nichido Fire Insurance.) by the method described below after completion of the Tender Offer.

(i) Demand for Share Cash-out

If, after completion of the Tender Offer, the total number of the voting rights of the Target Company owned by the Tender Offeror and Tokio Marine & Nichido Fire Insurance is 90% or more of the number of the voting rights owned by all shareholders of the Target Company, and the Tender Offeror becomes a special controlling shareholder as defined in Article 179, paragraph (1) of the Companies Act, the Tender Offeror plans to demand

that all of the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) (the “Selling Shareholders”) sell all of the Target Company Shares owned by them to the Tender Offeror pursuant to Section 4-2 of Chapter 2 of Part II of the Companies Act immediately after completion of the settlement of the Tender Offer (the “Demand for Share Cash-out”). In the Demand for Share Cash-out, it is planned to provide that the same amount of money as the Tender Offer Price will be delivered to the Selling Shareholders in exchange for one Target Company Share. In such a case, the Tender Offeror will give the Target Company a notice to that effect, and will seek an approval for the Demand for Share Cash-out from the Target Company. If the Target Company approves the Demand for Share Cash-out through a resolution at a board of directors’ meeting, the Tender Offeror will acquire all of the Target Company Shares owned by all of the Selling Shareholders from them on the acquisition date provided in the Demand for Share Cash-out, without obtaining individual approval from each Selling Shareholder, in accordance with the procedures provided by the relevant laws and regulations. In such a case, the Tender Offeror will deliver the same amount of money as the Tender Offer Price to the Selling Shareholders in exchange for one Target Company Share owned by them. According to the Target Company Press Release, if the Tender Offeror makes the Demand for Share Cash-out, the Target Company’s board of directors will approve the Demand for Share Cash-out.

Pursuant to the provisions in the Companies Act aimed at protecting minority shareholders’ rights related to the Demand for Share Cash-out, the Selling Shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) may file a petition with a court to determine the purchase price of the Target Company Shares owned by them under Article 179-8 of the Companies Act and other related laws and regulations. If the aforementioned petition is filed, the purchase price of the Target Company Shares will ultimately be determined by such court.

(ii) Share Consolidation

If, after completion of the Tender Offer, the total number of the voting rights of the Target Company owned by the Tender Offeror and Tokio Marine & Nichido Fire Insurance is less than 90% of the number of the voting rights owned by all shareholders of the Target Company, the Tender Offeror plans to request, promptly after completion of the settlement of the Tender Offer, that the Target Company hold a special shareholders’ meeting, whose agenda items will include implementation of a share consolidation of the Target Company Shares pursuant to Article 180 of the Companies Act (the “Share Consolidation”) and a partial amendment of the articles of incorporation to abolish the provisions on share unit numbers subject to effectuation of the Share Consolidation (the “Special Shareholders’ Meeting”). The Tender Offeror plans to support each of the agenda items described above at the Special Shareholders’ Meeting. Furthermore, as of today, the Special Shareholders’ Meeting is scheduled to be held around March 2025.

If the Share Consolidation agenda is approved at the Special Shareholders’ Meeting, the Target Company’s shareholders will each, as of the date on which the Share Consolidation is to take effect, own the Target Company Shares in the number corresponding to the Share Consolidation ratio approved at the Special Shareholders’ Meeting. If the Share Consolidation results in fractional shares that are less than one share, the money to be obtained by selling the Target Company Shares equivalent to the sum total of such fractional shares (if the sum total contains fractional shares less than one share, the fractional shares shall be rounded down; the same applies hereinafter) to the Target Company or the Tender Offeror will be delivered to the Target Company’s shareholders among whom the Share Consolidation resulted in fractional shares, in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Target Company Shares equivalent to the total number of the fractional shares, the Tender Offeror plans to request that the Target Company file a petition for voluntary sale permission with a court, after performing a calculation so that the amount of money to be delivered to the Target Company’s shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) as a result of the sale will be equal to the amount calculated by multiplying the Tender Offer Price by the number of the Target Company Shares owned by each shareholder. Furthermore, although the consolidation ratio for the Target Company Shares is undetermined as of today, the Tender Offeror plans to request that the Target Company determine the ratio so that the number of the Target Company Shares owned by the Target Company’s shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) will be fractions that are less than one share, for the purpose of making the Tender Offeror own all of the Target Company Shares (excluding the treasury shares owned by the Target Company). According to the Target Company Press Release, the Target Company intends to accept this request from the Tender Offeror if the Tender Offer is successfully completed.

As the provisions aimed at protecting minority shareholders’ rights related to the Share Consolidation, the Companies Act provide that if the Share Consolidation results in fractional shares that are less than one share, the

Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) may demand that the Target Company purchase all of the fractional shares less than one share owned by them at a fair price and may file a petition with a court to determine the price of the Target Company Shares, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations.

As stated above, as a result of the Share Consolidation, the number of the Target Company Shares owned by the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) will be fractions that are less than one share. Therefore, the Target Company's shareholders who oppose the Share Consolidation (excluding the Tender Offeror and the Target Company) will be able to file the aforementioned petition. If such a petition is filed, the purchase price of the Target Company Shares will ultimately be determined by a court.

The procedures for the Demand for Share Cash-out and the Share Consolidation described above may be subject to change in the implementation methods and timeline, depending on amendments to relevant laws and regulations, their implementation, as well as their interpretation by relevant authorities. However, even in such cases, the methods by which money will eventually be delivered to the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) will be adopted, and the amount of money to be delivered to the relevant shareholders in those cases will be calculated so that it will be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by the relevant shareholders. The specific procedures and timeline of the implementation in the above cases will be announced by the Target Company promptly after they are determined after discussions with the Target Company. The purpose of the Tender Offer is not to solicit the Target Company's shareholders for support at the Special Shareholders' Meeting. The Target Company's shareholders are asked to consult with experts such as tax accountants at their own responsibility concerning the handling of tax affairs in tendering their shares in the Tender Offer or the above procedures.

(5) Possibility of Delisting and Reasons Therefor

As of today, the Target Company Shares are listed on the Prime Market of the TSE. Since the Tender Offeror has not set an upper limit of the number of shares to be purchased in the Tender Offer, the Target Company Shares may be delisted depending on the results of the Tender Offer following the designated procedures pursuant to the delisting standards of the TSE. Even if the delisting standards do not apply to the Target Company Shares at the time of completion of the Tender Offer, if the Squeeze-out Procedures as described in "(4) Policy for Reorganization After the Tender Offer (Matters Concerning "Two-Step Acquisition")" above are implemented after completion of the Tender Offer, the delisting standards of the TSE will apply and the Target Company Shares will be delisted following the designated procedures. The Target Company Shares cannot be traded on the Prime Market of the TSE after they are delisted.

(6) Matters Concerning Material Agreements Related to the Tender Offer

Not applicable.

2. Overview of Purchase

(1) Target Company Overview

(i)	Name	Integrated Design & Engineering Holdings Co., Ltd.	
(ii)	Address	5-4 Kojimachi, Chiyoda-ku, Tokyo	
(iii)	Name and title of representative	Hiroaki Shinya, Director and Representative Executive President	
(iv)	Business lines	Business management of the group companies affiliated with the Target Company, and businesses incidental or related thereto	
(v)	Stated capital	7,553 million yen	
(vi)	Date of incorporation	July 3, 2023	
(vii)	Major shareholders and shareholding percentages (Note 1) (as of June 30, 2024)	The Master Trust Bank of Japan, Ltd. (Trust Account)	12.72%
		The ID&E Holdings Group Employee Shareholding Association	7.67%
		Custody Bank of Japan, Ltd. (Trust Account)	6.27%
		MUFG Bank, Ltd.	4.91%

	Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank of Japan, Ltd.)	3.75%
	Mizuho Bank, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	2.53%
	Custody Bank of Japan, Ltd. (Pension Trust Account)	2.19%
	RE FUND 107-CLIENT AC (Standing proxy: Citibank, N.A., Tokyo Branch)	2.11%
	GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A., Tokyo Branch)	2.02%
	DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank, N.A., Tokyo Branch)	1.83%
(viii) Relationship between listed companies and the Target Company		
Capital relationship	The Tender Offeror owns 45,245 shares in the Target Company Shares (ownership ratio (Note 2): 0.30%) indirectly through Tokio Marine & Nichido Fire Insurance Co., Ltd., which is a wholly-owned subsidiary of the Tender Offeror.	
Personnel relationship	Not applicable.	
Business relationship	As part of the initiatives of the Tender Offeror Group for disaster prevention/mitigation and mobility, the Tender Offeror has considered and entrusted certain operations, including the assessment of any potential risk associated with disaster prevention/mitigation and mobility, examination of measures to counter such risk, as well as construction management work, to Nippon Koei Co., Ltd., Nippon Koei Urban Space Co., Ltd., and Nippon Koei Energy Solutions Co., Ltd., wholly-owned subsidiaries of the Target Company. Additionally, the Tender Offeror Group has typical non-life insurance contracts with some of the companies in the Target Company Group.	
Status as related parties	Not applicable.	

(Note 1) “(vii) Major shareholders and their shareholding percentages (as of June 30, 2024)” has been quoted from the Target Company’s securities report for the first term submitted on September 26, 2024.

(Note 2) “Ownership ratio” means the ratio to the Base Share Number.

(2) Schedule, etc.

(i) Schedule

Date of resolution of the board of directors	Tuesday, November 19, 2025
Date of public notice for commencement of the Tender Offer	Wednesday, November 20, 2024 An electronic public notice is issued and a notice to that effect is posted in the Nihon Keizai Shimbun. (URL of electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
Submission date of tender offer registration statement	Wednesday, November 20, 2024

(ii) Tender Offer Period Originally Specified in the Tender Offer Registration Statement

From Wednesday, November 20, 2024 to Tuesday, January 15, 2025 (35 business days)

(iii) Possibility of Extending the Period Based on the Target Company’s Request

Not applicable.

(3) Purchase Price

6,500 yen per common share

(4) Basis for Valuation of the Purchase Price

(i) Basis for Valuation

In deciding the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, the Tender Offeror requested that Mitsubishi UFJ Morgan Stanley Securities, a third-party valuation organization independent of the Tender Offeror and the Target Company, evaluate the share value of the Target Company and express the “Fairness Opinion.”

Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer. Mitsubishi UFJ Morgan Stanley Securities’ parent company is the same as that of MUFG Bank, Ltd. (“MUFG Bank”), Mitsubishi UFJ Trust and Banking Corporation (“MUTB”), and Mitsubishi UFJ Asset Management Co., Ltd. (“Mitsubishi UFJ Asset Management”); and MUFG Bank, MUTB, and Mitsubishi UFJ Asset Management have the status as shareholders of the Tender Offeror, and MUFG Bank, MUTB, and Mitsubishi UFJ Asset Management have the status as shareholders of the Target Company. In addition, MUFG Bank conducts financing transactions as part of its normal banking transactions for the Tender Offeror and the Target Company. According to Mitsubishi UFJ Morgan Stanley Securities, pursuant to applicable laws and regulations set forth in 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), an appropriate conflict-of-interest management system including information barrier measures to strictly manage information related to the Tender Offeror has been established and implemented as a preventive measure against adverse effects among and in each of Mitsubishi UFJ Morgan Stanley Securities, a third-party valuation organization, MUFG Bank, MUTB, and Mitsubishi UFJ Asset Management. Therefore, Mitsubishi UFJ Morgan Stanley Securities has provided services as a third-party valuation organization without being affected by decisions of MUFG Bank, MUTB, and Mitsubishi UFJ Asset Management; and it has evaluated the share value of the Target Company and expressed the Fairness Opinion independently of its status as a shareholder and lender of MUFG Bank, and a shareholder of MUTB and Mitsubishi UFJ Asset Management. Considering that the strict information management system has been established for information management among and in each of Mitsubishi UFJ Morgan Stanley Securities, MUFG Bank, MUTB and Mitsubishi UFJ Asset Management, and that Mitsubishi UFJ Morgan Stanley Securities has a track record as a third-party valuation organization in the same types of transactions in the past, the Tender Offeror appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation organization independent of the Tender Offeror and the Target Company. The fees payable to Mitsubishi UFJ Morgan Stanley Securities for the Transaction include performance fees to be paid subject to announcement of the Transaction including the Tender Offer and completion of the Transaction. The Tender Offeror appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation organization based on this fee system by determining that the independence of Mitsubishi UFJ Morgan Stanley Securities will not be precluded due to its fees, including performance fees, taking into consideration factors such as general customary practices in similar kinds of transactions and appropriateness of the fee system under which the Tender Offeror will bear a commensurate financial burden for non-completion of the Transaction.

As a result of considering the valuation methods in the Tender Offer, Mitsubishi UFJ Morgan Stanley Securities conducted assessments and analysis of the share value of the Target Company using each of the following methods: a market share price analysis; comparable company analysis; and discounted cash flow analysis (the “DCF Analysis”). The Tender Offeror acquired the Stock Valuation Report and the Fairness Opinion as of November 18, 2024, from Mitsubishi UFJ Morgan Stanley Securities (Note 1).

The valuation results of the value per share of the Target Company Shares by Mitsubishi UFJ Morgan Stanley Securities are as follows:

Market share price analysis:	3,875 yen to 4,246 yen
Comparable company analysis:	3,190 yen to 4,662 yen
DCF Analysis:	5,778 yen to 7,199 yen

Under the market share price analysis, with November 18, 2024 being set as the reference date, the value per share of the Target Company Shares is analyzed to range from 3,875 yen to 4,246 yen based on the closing price of the Target Company Shares on the Prime Market of the TSE as of the reference date (3,875 yen); the simple average closing price for the most recent one month (from October 21, 2024 to November 18, 2024) (4,246 yen); the simple average closing price for the most recent three months (from August 19, 2024 to November 18, 2024) (4,155 yen); and the simple average closing price for the most recent six months (from May 20, 2023 to November 18, 2024) (4,110 yen).

Under the comparable company analysis, through comparison with the market prices and financial indicators showing the profit of listed companies that deal with businesses comparatively similar to those of the Target Company, the share value of the Target Company is analyzed; and the value per share of the Target Company Shares is analyzed to range from 3,190 yen to 4,662 yen.

Under the DCF Analysis, based on the financial forecasts regarding the Target Company's future revenue forecast and investment plan on and after the fiscal year ended September 30, 2024, which are made by the Tender Offeror considering various elements including the Target Company's business plan for fiscal years from the fiscal year ending June 2025 to the fiscal year ending June 2027 prepared by the Target Company, the Target Company's business plan for fiscal years from the fiscal year ending June 2025 to the fiscal year ending June 2029 prepared by the Tender Offeror, the results of the due diligence conducted on the Target Company, recent trends in the business performance, and publicly disclosed information, the share value of the Target Company was analyzed by discounting the free cash flow expected to be generated by the Target Company in the future to the present value using a certain discount rate, and the value per share of the Target Company Shares is analyzed to range from 5,778 yen to 7,199 yen. The financial forecasts used by Mitsubishi UFJ Morgan Stanley Securities under the DCF Analysis do not include fiscal years in which a substantial increase/decrease in profit is expected. In addition, the financial forecasts do not reflect the synergy effects expected to be realized by the Transaction because it is difficult to specifically estimate those synergies at present.

Based on the results of discussions and negotiations with the Target Company, the Tender Offeror ultimately decided at a board of directors' meeting held on November 19, 2024 that the Tender Offer Price would be 6,500 yen per share, comprehensively considering certain factors such as (i) the fact that the price exceeds the upper limit of the valuation results under the market share price analysis and the comparable company analysis stated in the Stock Valuation Report acquired from Mitsubishi UFJ Morgan Stanley Securities and it is within the range of the valuation results under the DCF Analysis, (ii) the fact that the Tender Offeror has acquired the Fairness Opinion from Mitsubishi UFJ Morgan Stanley Securities to the effect that it considered the Tender Offer Price of 6,500 yen per share appropriate for the Tender Offeror from a financial perspective, (iii) the fact that any matter that may particularly and significantly affect the Target Company's corporate value has not been found as a result of (a) conducting due diligence on the Target Company Group from September 2023 to November 2023, and from May to July 2024, or (b) additionally verifying the Target Company Group's financial and tax affairs from September to October 2024, (iv) whether the Target Company's board of directors should support the Tender Offer, (v) trends in the market price of the Target Company Shares, and (vi) the forecast for tendering shares in the Tender Offer.

According to Mitsubishi UFJ Morgan Stanley Securities, the Fairness Opinion has been issued after (i) consideration of the valuation results of the Target Company Shares conducted by Mitsubishi UFJ Morgan Stanley Securities based on analysis and consideration of the business plan and other financial information provided by the Target Company, (ii) question-and-answer sessions with the Tender Offeror pertaining to the circumstances and background leading to announcement of the Tender Offer, and (iii) approval of a committee consisting of the Investment Banking Business Unit of Mitsubishi UFJ Morgan Stanley Securities and other professionals pursuant to internal procedures of Mitsubishi UFJ Morgan Stanley Securities.

The Tender Offer Price of 6,500 yen is the amount obtained by adding a premium of 67.74% to 3,875 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on November 18, 2024, the business day immediately preceding the date of the announcement regarding the Tender Offer, 53.09% to 4,246 yen, which was the simple average closing price for the past one month until that date, 56.44% to 4,155 yen, which was the simple average closing price for the past three months until that date, and 58.15% to 4,110 yen, which was the simple average closing price for the past six months until that date, respectively.

(ii) Background of Valuation

(Background Leading to Determination of the Tender Offer Price)

As stated in "(i) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer, and Management Policy Following the Tender Offer" in "1. Purpose of the Tender Offer" above, the Tender Offeror began considering how to proceed with the collaboration and alliance relationship with the Target Company in the disaster prevention and mitigation field, while receiving advice from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (for the independence of Mitsubishi UFJ Morgan Stanley Securities, please see "Basis

for Valuation” above), which has been engaged in ongoing discussions regarding the enhancement of the Tender Offeror’s corporate value over the long term, as necessary. Thereafter, the Tender Offeror asked Mitsubishi UFJ Morgan Stanley Securities to confirm that the Target Company will also gain an advantage in a collaboration or alliance with a nonlife insurance company in terms of enhancement of the Target Company’s corporate value and will be interested in advancing discussions on further collaboration or alliance. In October 2022, Mitsubishi UFJ Morgan Stanley Securities confirmed that the Target Company had an early-stage interest through meetings with the Target Company and shared the details of its meetings with the Target Company with the Tender Offeror. In November 2022, the Tender Offeror commenced initial discussions on the potential collaboration fields and alliance relationship through meetings with the Target Company, and the Tender Offeror thereafter continued discussions on the collaboration and alliance with the Target Company. Subsequently, in June 2023, the Tender Offeror appointed Nishimura & Asahi as its legal advisor independent of the Tender Offeror and the Target Company and began initial consideration of how to proceed with the collaboration while also receiving advice from Nishimura & Asahi, as necessary. The Tender Offeror believed that it will be important to exchange opinions on the optimal capital structure, etc. of the Target Company, and strengthen the mutual relationship in order to greatly advance its collaboration and alliance with the Target Company. Based on this, the Tender Offeror and the Target Company reached a memorandum of understanding to consider a business collaboration in line with their capital relationship and executed a memorandum of understanding on August 29, 2023.

Thereafter, in order to investigate the feasibility of the Transaction, the Tender Offeror appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation organization independent of the Tender Offeror and the Target Company in mid September 2023. The Tender Offeror (i) also conducted due diligence on the Target Company Group from September to November 2023, and from May to July 2024 and additionally verified the Target Company Group’s financial and tax affairs from September to October 2024, as well as (ii) simultaneously continued discussions and consideration with the Target Company regarding various terms and conditions of the Transaction including the Tender Offer.

Specifically, considering that any matter that may particularly and significantly affect the Target Company’s corporate value has not been found as a result of (i) conducting due diligence on the Target Company Group from September to November 2023, and from May to July 2024, and (ii) additionally verifying the Target Company Group’s financial and tax affairs from September to October 2024, the Tender Offeror decided to make a formal acquisition proposal to the Target Company. On October 16, 2024, the Tender Offeror submitted a non-legally binding document to the Target Company which included various terms and conditions, such as the Tender Offer Price and the number of shares to be purchased, on the premise that the Tender Offeror will make the Target Company its wholly-owned subsidiary, and proposed the Transaction with the tender offer price of 4,700 yen per Target Company Share. The Initial Proposal Price is the amount obtained by adding a premium (10.33%, 10.48%, 17.71%, and 13.39%) to 4,260 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on October 15, 2024, the business day immediately preceding October 16, 2024, and 4,254 yen, 3,993 yen, and 4,145 yen, which were the simple average closing prices for the past one month (from September 17, 2024 to October 15, 2024), the past three months (from July 16, 2024 to October 15, 2024), and the past six months (from April 16, 2024 to October 15, 2024), respectively. In response thereto, on October 17, 2024, the Tender Offeror was requested by the Target Company to increase the Tender Offer Price as a result of the Target Company’s consideration referring to advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee; therefore, on October 22, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 5,250 yen per Target Company Share. The Second Proposal Price is the amount obtained by adding a premium (21.11%, 22.06%, 31.09%, and 26.72%) to 4,335 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on October 21, 2024, the business day immediately preceding October 22, 2024, and 4,301 yen, 4,005 yen, and 4,143 yen, which were the simple average closing prices for the past one month (from September 24, 2024 to October 21, 2024), the past three months (from July 22, 2024 to October 21, 2024), and the past six months (from April 22, 2024 to October 21, 2024), respectively. In response thereto, on October 23, 2024, the Tender Offeror was requested by the Target Company to increase the Tender Offer Price as a result of the Target Company’s consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee; therefore, on October 28, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 5,400 yen per Target Company Share. The Third Proposal Price is the amount obtained by adding a premium (27.36%, 25.38%, 34.26%, and 30.50%) to 4,240 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on October 25, 2024, the business day immediately preceding October 28, 2024, and 4,307 yen, 4,022 yen, and 4,138 yen, which were the simple average closing prices for the past one month (from September 26, 2024 to October 25, 2024), the past three months (from July 26, 2024 to October 25, 2024), and the

past six months (from April 26, 2024 to October 25, 2024), respectively. In response thereto, on October 28, 2024, the Tender Offeror was requested by the Target Company to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee stating that the Third Proposal Price was neither a price which sufficiently considered interests of the Target Company's minority shareholders nor a price at a level from which completion of the Tender Offer could be expected; therefore, on November 4, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 5,700 yen per Target Company Share. The Fourth Proposal Price is the amount obtained by adding a premium (34.28%, 32.16%, 40.64%, and 37.81%) to 4,245 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on November 1, 2024, the business day immediately preceding November 4, 2024, and 4,313 yen, 4,053 yen, and 4,136 yen, which were the simple average closing prices for the past one month (from October 2, 2024 to November 1, 2024), the past three months (from August 2, 2024 to November 1, 2024), and the past six months (from May 2, 2024 to November 1, 2024), respectively. In response thereto, on November 5, 2024, the Tender Offeror was requested by the Target Company to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee stating that the Fourth Proposal Price did not sufficiently consider the interests of our minority shareholders when considering the net asset level including the latent gains of the company's real estate, the synergies between the offeror and the company, and the recent trends in the premium levels of other privatization cases; therefore, on November 10, 2024, the Tender Offeror submitted a non-legally binding document which included various terms and conditions, such as the Tender Offer Price, and proposed the Transaction with the tender offer price of 6,200 yen per Company Share (the "Fifth Proposal Price"). The Fifth Proposal Price is the amount obtained by adding a premium (44.86%, 44.02%, 50.41%, and 50.12%) to 4,280 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on November 8, 2024, the business day immediately preceding November 10, 2024, and 4,305 yen, 4,122 yen, and 4,130 yen, which were the simple average closing prices for the past one month (from October 9, 2024 to November 8, 2024), the past three months (from August 9, 2024 to November 8, 2024), and the past six months (from May 9, 2024 to November 8, 2024), respectively. Moreover, the price-to-book ratio (PBR) of the Target Company based on the Fifth Proposal Price exceeded 1, and the premium level was said to be not inferior compared to recent trends recognized by the Tender Offeror in other privatization cases (Note 2), and the Tender Offeror made a re-proposal under the appreciation that it offered an attractive opportunity for shareholders of the Target Company to sell their shares. In response thereto, on November 11, 2024, the Tender Offeror was requested by the Target Company to increase the Tender Offer Price as a result of the Target Company's consideration based on the advice of Daiwa Securities and TMI Associates after obtaining an opinion from the Special Committee stating that the recent trends of premium levels of other privatization cases (an average premium of about 63% against the stock price before the announcement) and the synergies between the Tender Offeror and the Target Company, and concluded that at this Fifth Proposal Price, expressing approval for this Tender Offer and recommending application was not possible; therefore, on November 14, 2024, the Tender Offeror submitted a legally binding document which included various terms and conditions, such as the Tender Offer Price (however, such document is conditional upon the resolution of the Board of Directors of the Tender Offeror on November 19, 2024, to commence the Tender Offer), and proposed the Transaction with the tender offer price of 6,500 yen per Company Share (the "Final Proposal Price"). The Final Proposal Price is the amount obtained by adding a premium (55.88%, 51.13%, 56.74%, and 57.65%) to 4,170 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on November 13, 2024, the business day immediately preceding November 14, 2024, and 4,301 yen, 4,147 yen, and 4,123 yen, which were the simple average closing prices for the past one month (from October 15, 2024 to November 13, 2024), the past three months (from August 14, 2024 to November 13, 2024), and the past six months (from May 14, 2024 to November 13, 2024), respectively. In response thereto, on November 15, 2024, the Tender Offeror received the opinion from the Target Company to accept the final proposal on the condition that extraordinary Board of Directors meeting held on November 19, 2024, passed a resolution to express approval for this Tender Offer and recommend application to our shareholders.

Through these discussions and negotiations, the Tender Offeror resolved at the Board of Directors meeting on November 19, 2024, to proceed with the Tender Offer, setting the Tender Offer Price at 6,500 yen.

(Note) According to Mitsubishi UFJ Morgan Stanley Securities, its Fairness Opinion and the underlying analysis of the share value of the Target Company Shares are addressed to the Tender Offeror's board of directors only for reference by the board of directors; and they only refer to whether the Tender Offer Price is appropriate for the Tender Offeror as of November 18, 2024 from a financial perspective. The Fairness Opinion and analysis do not refer to the share price of the Target Company Shares after the Tender Offer. They are not provided to express any opinion or make any

recommendation regarding any act of the shareholders of the Target Company related to the Tender Offer. Mitsubishi UFJ Morgan Stanley Securities has neither recommended a certain tender offer price to the Tender Offeror's board of directors, nor has it recommended a certain tender offer price as the price only appropriate for the Tender Offer Price. Mitsubishi UFJ Morgan Stanley Securities has, in expressing its opinion in the Fairness Opinion and the analysis, relied on the already disclosed information and the information provided by the Tender Offeror on the premise that such information is accurate and complete; and it has not independently verified the accuracy and completeness of such information. Mitsubishi UFJ Morgan Stanley Securities expressed its opinions in the Fairness Opinion on the premise that the financial statements provided for internal use are accurate and that they fairly indicate the items listed, without individual verification. In addition, Mitsubishi UFJ Morgan Stanley Securities prepared the Fairness Opinion on the premise that the financial forecasts were reasonably prepared and made by the management of the Target Company as those reflecting the best forecasts and judgments available at present related to the Target Company's future financial condition. Mitsubishi UFJ Morgan Stanley Securities uses the premise that terms and conditions stated in agreements related to the Transaction will be implemented without any waiver, change or delay. Mitsubishi UFJ Morgan Stanley Securities uses the premise that all of permissions, approvals, consent, etc. of government agencies or supervisory government agencies, etc. necessary for the Transaction may be obtained; and that there will be no delay of, or restriction or condition on such permissions, approvals, consent, etc. that may have significant adverse effects on advantages expected from the Transaction. Mitsubishi UFJ Morgan Stanley Securities is not an advisor for legal, accounting or tax affairs. Mitsubishi UFJ Morgan Stanley Securities is a financial advisor and third-party valuation organization; and it relies on judgments by the Tender Offeror and its legal, accounting and tax advisors, as well as by the Target Company and its auditing firm and legal advisor for legal-, accounting- and tax-related issues without independent verification. Mitsubishi UFJ Morgan Stanley Securities has neither made any independent valuation or appraisal of the assets or liabilities (including contingent liabilities) of the Target Company and its related companies, nor has it been provided with any valuation or appraisal thereof. The Fairness Opinion and analysis of Mitsubishi UFJ Morgan Stanley Securities are based on economic, financial, market and other conditions as of November 18, 2024, and the information that Mitsubishi UFJ Morgan Stanley Securities has obtained up to November 18, 2024. Any event occurring on or after November 18, 2024 may affect the Fairness Opinion and analysis, and premises used to prepare the Fairness Opinion; however, Mitsubishi UFJ Morgan Stanley Securities does not have any obligation to update, amend or reconfirm opinions in the Fairness Opinion. In expressing opinions in the Fairness Opinion, Mitsubishi UFJ Morgan Stanley Securities is not allowed to, and actually does not conduct any act of solicitation for any transaction party in relation to any acquisition, business integration or other special transactions in which the Target Company is involved. In addition, Mitsubishi UFJ Morgan Stanley Securities has not negotiated with any transaction party that showed Mitsubishi UFJ Morgan Stanley Securities an interest in the possible acquisition of the Target Company itself or part of the businesses comprising the Target Company, excluding the Tender Offeror. As the Fairness Opinion and the underlying analysis have undergone complex processes, they are not necessarily appropriate for partial analysis or summary. Mitsubishi UFJ Morgan Stanley Securities has considered all of the analysis results as a whole and has not focused on any specific analysis or factor that it considered. Mitsubishi UFJ Morgan Stanley Securities has, upon analysis, used many premises for industry conditions, general business and economic conditions and other matters; and most of them may not be controlled by the Target Company or the Tender Offeror. All forecasts included in the analysis of Mitsubishi UFJ Morgan Stanley Securities do not necessarily indicate future results or actual value, but such results or value may significantly improve or worsen compared to those suggested by the forecasts. Mitsubishi UFJ Morgan Stanley Securities plans to provide services as the Tender Offeror's financial advisor and third-party valuation organization for the Transaction, and to receive fees in consideration for such services. The receipt of a considerable portion of the fees is subject to announcement of the Transaction and completion of a squeeze-out of minority shareholders under the Transaction. Mitsubishi UFJ Morgan Stanley Securities and its related companies provide global financial services such as banking services (including loan services for the Target Company and the Tender Offeror), securities services, trust services, investment management services and other financial services (collectively, the "Financial Services"). Securities services include not only provision of investment banking, finance and financial advisory services, but also underwriting, sale and purchase and brokerage services of securities, and foreign exchange, financial instruments and derivative transactions. In the normal process of underwriting, sale and purchase and brokerage services of securities, and financial service, Mitsubishi UFJ Morgan Stanley Securities and its related companies may hold a long or

short position in corporate bonds, shares or loans of the Tender Offeror, the Target Company or companies related to the Transaction, a currency or financial instrument related to the Transaction, or a related derivative product; may provide other Financial Services of Mitsubishi UFJ Morgan Stanley Securities or its related companies for the Tender Offeror, the Target Company or companies related to the Transaction; and may conduct the sale and purchase, or other transactions for its own account or its client's account. Mitsubishi UFJ Morgan Stanley Securities and its related companies, and their directors and officers may invest their own funds in, or may operate a fund that invests its own funds in corporate bonds, shares or loans of the Tender Offeror, the Target Company or companies related to the Transaction, currencies or financial instruments related to the Transaction, or related derivative products. In addition, Mitsubishi UFJ Morgan Stanley Securities may conduct normal brokerage services for the Tender Offeror, the Target Company or companies related to the Transaction.

- (Note 2) Among the privatization tender offer cases, aimed at making the company a wholly-owned subsidiary in Japan, announced and completed between June 28, 2019, when the Ministry of Economy, Trade and Industry announced the 'Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders' Interests' and August 31, 2024, similar cases to this one (cases of tender offers by third parties with the aim of taking a company private, where the number of voting rights held by the tender offeror, including those of specially related parties, before the tender offer is less than 5% of the total number of voting rights of the target company) the average premium for 46 cases against the closing price on the trading day before the announcement was 50.89%, 54.28%, 56.23%, and 58.42%, respectively.

(5) Number of Shares to Be Purchased

Type of Shares	Number of Shares to Be Purchased	Lower Limit of Number of Shares to Be Purchased	Upper Limit of Number of Shares to Be Purchased
Common shares	15,047,676 shares	9,988,600 shares	—

- (Note 1) If the total number of Tendered Shares is below the lower limit of the number of shares to be purchased (9,988,600 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is equal to or more than the lower limit of the number of shares to be purchased (9,988,600 shares), the Tender Offeror will purchase all of the Tendered Shares.

- (Note 2) Since no upper limit of the number of shares to be purchased has been set for the Tender Offer, the Base Share Number (15,092,921 shares) that is the maximum number of the Target Company Shares that the Tender Offeror will purchase through the Tender Offer is indicated as the number of shares to be purchased. Such maximum number is the number of shares (15,047,676 shares) remaining after subtracting the number of shares owned by Tokio Marine & Nichido Fire Insurance (45,245 shares), which will not be tendered in the Tender Offer, from the Base Share Number (15,092,921 shares).

- (Note 3) The treasury shares owned by the Target Company and the Shares Owned by Tokio Marine & Nichido Fire Insurance will not be purchased through the Tender Offer.

- (Note 4) Shares of less than one unit are also subject to the Tender Offer. If shareholders exercise their right to request that the Target Company purchase its shares of less than one unit in accordance with the Companies Act, the Target Company may purchase such shares during the Tender Offer Period pursuant to the procedures under the laws and regulations.

(6) Changes in Ownership Ratio of Shares Resulting From the Purchase

Number of voting rights pertaining to Shares owned by the Tender Offeror before the purchase	0	(Ownership ratio of Shares before the purchase: 0.00%)
--	---	--

Number of voting rights pertaining to Shares owned by specially related parties before the purchase	452	(Ownership ratio of Shares before the purchase: 0.30%)
Number of voting rights pertaining to Shares owned by the Tender Offeror after the purchase	150,476	(Ownership ratio of Shares after the purchase: 99.70%)
Number of voting rights pertaining to Shares owned by specially related parties after the purchase	452	(Ownership ratio of Shares after the purchase: 0.30%)
Number of voting rights of all Target Company shareholders	149,756	

- (Note 1) The “Number of voting rights pertaining to Shares owned by specially related parties before the purchase” is the total number of voting rights pertaining to shares owned by each specially related party (however, among specially related parties, those who will be excluded from the specially related parties pursuant to Article 3, paragraph 2, item (i) 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 Office Order”) in the calculation of the ownership ratio of Shares in each item of Article 27-2, paragraph 1 of the Act shall be excluded). The Tender Offeror will review the Shares of the Target Company owned by specially related parties after today, and if it is necessary to make amendments, if any corrections are necessary, we will disclose the corrected content promptly..
- (Note 2) “(a) Number of voting rights pertaining to Shares to be purchased” is the number of voting rights pertaining to number of Shares to be purchased (15,047,676 shares) in the Tender Offer.
- (Note 3) The “Number of voting rights of all Target Company shareholders” is the total number of voting rights of all Target Company shareholders, as stated in the Target Company’s securities report for the first term submitted on September 26, 2024 (one unit of shares is stated to consist of 100 shares). However, since shares in quantities of less than one unit (excluding treasury shares in quantities of less than one unit owned by the Target Company) are subject to the Tender Offer, for the purpose of calculating the “Ownership ratio of Shares before the purchase” and the “Ownership ratio of Shares after the purchase,” the number of voting rights (150,929 voting rights) pertaining to the Base Share Number (15,092,921 shares) is used as the denominator in the calculation.
- (Note 4) With regard to the “Ownership ratio of Shares before the purchase” and the “Ownership ratio of Shares after the purchase,” any fraction is rounded off to two decimal places.
- (Note 5) Tokio Marine Asset Management Co., Ltd., which falls under the category of “specially related party” pursuant to the formal standards of the Tender Offeror (hereinafter in this (Note 5), the “Specially Related Party”) engages in investment management business (meaning the business set forth in Article 28, paragraph (4) of the Act; the same applies hereinafter), and as trust banks, etc. may own the Target Company Shares, or acquire or transfer them in the future based on investment instructions by the Specially Related Party, based on Article 27-5, item (ii) of the Act, the “Notification Requesting Application of the Special Provisions for Prohibition of Separate Purchases” (hereinafter in this (Note 5), the “Notification”) pledging the following matters has been filed with the Director General of the Kanto Local Finance Bureau on November 19, 2024.
- (i) As of the date of submission of the Notification, the Specially Related Party has not reached an agreement with the Tender Offeror to jointly acquire or transfer the Target Company Shares, or exercise voting rights or any other rights as a shareholder of the Target Company, or to mutually transfer or acquire the Target Company Shares after the Tender Offer, and it does not fall under the category of persons set forth in Article 27-2, paragraph (7), item (ii) of the Act;
 - (ii) During the Tender Offer Period, the Specially Related Party does not conduct the purchase of the Shares issued by the Target Company in the course of its businesses other than the investment management business;
 - (iii) During the Tender Offer Period, the Specially Related Party does not transfer the Shares issued by the Target Company which are owned by the Specially Related Party to the Tender Offeror and its specially related parties, and it does not exercise voting rights or any other rights as a shareholder or investor of the Target Company jointly with the Tender Offeror and its specially related parties;

- (iv) The Specially Related Party engages in investment management business, and trust banks, etc. may acquire or transfer the Shares issued by the Target Company based on the investment instructions of the Specially Related Party; however, during the Tender Offer Period, the Specially Related Party will not give investment instructions to transfer the Shares issued by the Target Company to the Tender Offeror or its specially related parties; and
- (v) The Specially Related Party engages in investment management business, and trust banks, etc. may exercise voting rights pertaining to the Shares issued by the Target Company based on the investment instructions of the Specially Related Party; however, during the Tender Offer Period, the Specially Related Party will not give instructions to exercise voting rights or any other rights as a shareholder or investor of the Target Company jointly with the Tender Offeror and its specially related parties.

(7) Purchase price: 97,809,894,000 yen

(Note) The purchase price indicates the amount obtained by multiplying the number of shares to be purchased (15,047,676 shares) by the Tender Offer Price (6,500 yen).

(8) Method of Settlement

(i) Name and Location of the Head Office of the Financial Instruments Business Operator, Bank, etc. that Settles the Purchase

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
au Kabucom Securities Co., Ltd. (subagent)

1-9-2 Otemachi, Chiyoda-ku, Tokyo
3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo

(ii) Commencement Date of Settlement

January 21, 2025 (Wednesday)

(iii) Method of Settlement

After the expiration of the Tender Offer Period, a notice of purchase through the Tender Offer is mailed to the address or location of the Tendering Shareholders (or the standing proxy in the case of Foreign Shareholders) without delay. Delivery by the subagent will be made by electromagnetic means via a post-login screen.

The purchases are made in cash. According to the instructions of the Tendering Shareholders (or the standing proxy in the case of Foreign Shareholders), the tender offer agent or the subagent will, without delay after the commencement date of the settlement, remit sales proceeds pertaining to the purchased Shares to the location designated by the Tendering Shareholders (or the standing proxy in the case of Foreign Shareholders) or to pay the sales proceeds to the account of the Tendering Shareholders with the tender offer agent or the subagent that has accepted the tender.

(iv) Method of Returning Shares

If it is decided that all of the Tendered Shares are not purchased pursuant to the conditions stated in “(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and Details Thereof” and “(ii) Conditions of Withdrawal, etc. of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc.” in “(9) Other Conditions and Procedures of the Tender Offer” below, the shares to be returned will be returned promptly after two business days following the last day of the Tender Offer Period (where the Tender Offer has been withdrawn, the business day when the withdrawal was made) by restoring such shares to the state immediately before the tender application.

(9) Other Conditions and Procedures of the Tender Offer

(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and Details Thereof

If the total number of Tendered Shares is below the lower limit of shares to be purchased (9,988,600 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is or exceeds the lower limit of shares to be purchased (9,988,600 shares), the Tender Offeror will purchase all the Tendered Shares.

- (ii) Conditions of Withdrawal, etc. of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc.

If any event listed in Article 14, paragraph 1, items 1(1) through 1(10) and items 1(13) through 1(19), items 3(1) through 3(8) and item 3(10) and item 4, and Article 14, paragraph 2, items 3 through 6 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the “Order”) occurs, the Tender Offer may be withdrawn. The “facts equivalent to those set forth in (1) to (9)” set forth in Article 14, paragraph 1, item 3(10) of the Order mean (i) cases where statutory disclosure documents submitted by the Target Company in the past turn out to contain false statements regarding material matters or to omit statements regarding material matters to be stated, and (ii) cases where facts set forth in (1) through (7) of the same item occur in any of the Target Company’s material subsidiaries.

In cases where (i) approval under Article 271-22, paragraph (1) of the Insurance Business Act has not been obtained from the Commissioner of the Financial Services Agency by the day immediately preceding the expiration date of the Tender Offer Period (including cases where the period is extended), (ii) when such approval has been obtained from the Commissioner of the Financial Services Agency, conditions to which the Tender Offeror does not agree (meaning conditions set forth in Article 310, paragraph (1) of the Insurance Business Act) have been imposed on such approval, or (iii) such approval is revoked or withdrawn by the day immediately preceding the last day of the Tender Offer Period and such cases may be deemed as cases where “permissions, etc.” have failed to be obtained as set forth in Article 14, paragraph (1), item (iv) of the “Order,” then withdrawal, etc. of the Tender Offer may be made.

If the Tender Offeror is not informed of completion of the screening by the Interfederal Screening Commission pursuant to the Belgium Cooperation Agreement dated November 30, 2022, such cases may be deemed as cases where “permissions, etc.” have failed to be obtained as set forth in Article 14, paragraph (1), item (iv) of the Order, then withdrawal, etc. of the Tender Offer may be made.

In order to withdraw the Tender Offer, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue an electronic public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Order and subsequently issue a public notice as soon as possible.

- (iii) Conditions to Reduce Purchase Price, Details Thereof and Method of Disclosure of Reduction

In accordance with Article 27-6, paragraph 1, item 1 of the Act, if the Target Company conducts any act listed in Article 13, paragraph 1 of the Order during the Tender Offer Period, the purchase price may be reduced pursuant to the standards set forth in Article 19, paragraph 1 of the Cabinet Office Order.

In order to reduce the purchase price, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue an electronic public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Order and subsequently issue a public notice as soon as possible. If the purchase price is reduced, Tendered Shares that were tendered on or before the date of the public notice are also purchased at the reduced purchase price.

- (iv) Matters Concerning Tendering Shareholders’ Rights to Cancel Their Contracts

The Tendering Shareholders may cancel a contract related to the Tender Offer at any time during the Tender Offer Period.

When a tender offer agent cancels the contract, please deliver or send an “acceptance slip for the tender offer application” and a document indicating the intention of canceling the contract regarding the Tender Offer (the “Cancellation Document”) to the head office or the domestic branch of the tender offer agent where your tender was accepted no later than 4:00 PM on the last day of the Tender Offer Period. The cancellation of the contract will become effective when the Cancellation Document is delivered to or arrives with the person designated below. However, if sending the Cancellation Document, the document must arrive with the person designated below by 4:00 PM on the last day of the Tender Offer Period. When canceling a contract regarding your tender made through the subagent, au Kabucom Securities Co., Ltd., please perform the cancellation procedures using the method stated

in the “Takeover bid (TOB)” (<https://kabu.com/item/tob/>) on its website (<https://kabu.com/>) via a post-login screen no later than 4:00 PM on the last day of the Tender Offer Period.

Party authorized to receive the Cancellation Document

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. 1-9-2 Otemachi, Chiyoda-ku, Tokyo
(including other domestic branches of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)

The Tender Offeror will not make any claim for damages or a penalty payment to the Tendering Shareholders due to the cancellation of their contracts. In addition, the Tender Offeror will bear the cost of returning the Tendered Shares to the Tendering Shareholders. If a Tendering Shareholder applies for cancellation, the Tendered Shares shall be returned promptly after the completion of procedures related to the application for cancellation in accordance with the method stated in “(iv) Method of Returning Shares” in “(8) Method of Settlement” above.

(v) Method of Disclosure in Case of Change in the Purchase Terms of the Tender Offer

The Tender Offeror may, during the Tender Offer Period, change the purchase terms, except in cases where it is prohibited by Article 27-6, paragraph 1 of the Act or Article 13 of the Order. If the Tender Offeror wishes to change the purchase terms, it will issue an electronic public notice regarding the details of the change and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue an electronic public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Order and subsequently issue a public notice immediately. If the purchase terms have been changed, Tendered Shares that were tendered on or before the date of the public notice are also purchased based on the changed purchase terms.

(vi) Method of Disclosure in Case of Filing of Amendment Statement

If the Tender Offeror files an amendment statement with the Chief of the Kanto Local Finance Bureau (excluding the cases set forth in the proviso to Article 27-8, paragraph 11 of the Act), the Tender Offeror will immediately make a public announcement on the details relating to those described in the public notice of the commencement of the Tender Offer among other things in the amendment statement, by the method stipulated in Article 20 of the Cabinet Office Order. The Tender Offeror will also immediately amend the explanatory statement of the Tender Offer and deliver the amended explanatory statement of the Tender Offer to the Tendering Shareholders to whom the explanatory statement of the Tender Offer has already been delivered. However, if the scope of the amendment is limited, the amendment may be made by preparing a document stating the reason for the amendment and the subject matters before and after the amendment, and delivering the document to the Tendering Shareholders.

(vii) Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be publicly announced on the day following the last day of the Tender Offer Period using the method stipulated in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Order.

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

November 20, 2024 (Wednesday)

(11) Tender Offer Agent

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. 1-9-2 Otemachi, Chiyoda-ku, Tokyo

The tender offer agent has selected the subagent below in order to further entrust a part of its affairs.
au Kabucom Securities Co., Ltd. (subagent) 3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo

3. Post-Tender Offer Policy and Future Outlook

For the post-Tender Offer policy and other related information, please see “1. Purpose of the Tender Offer” above.

4. Other

(1) Whether There Is Agreement between the Tender Offeror and the Target Company or Its Officers; Details Thereof If Applicable

Support for the Tender Offer

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

For details, please see the Target Company Press Release and "(v) Approval of All Disinterested Directors at 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 and to Avoid Conflicts of Interest" in "1. Purpose of the Tender Offer" above.

(2) Other Information that is Considered Necessary for Investors to Determine Whether it is Appropriate to Tender Shares in the Purchase

(i) Announcement of the Target Company's Q1 Financial Results

The Target Company announced the Target Company's Q1 Financial Results on November 13, 2024. For details, please see the content of the announcement.

(ii) Publication of "Notice of Revision of Forecast for Year-End Dividends for the Fiscal Year Ending June 2025 (No Dividends)"

At the Board of Directors meeting held today, the Target Company has resolved to amend the dividend forecasts for the fiscal year ending June 2025 announced on November 13, 2024, and not to pay any year-end dividends for such fiscal year, subject to the successful completion of the Tender Offer. For more details, please see the content of the publication, "Notice of Revision of Forecast for Year-End Dividends for the Fiscal Year Ending June 2025 (No Dividends)."

(3) Other

This press release is a public media announcement of the Tender Offer and is not intended to solicit the sale of Shares. If you are willing to offer to sell Shares, please make sure that you read the explanatory statement of the Tender Offer first and make the offer at your own discretion. This press release is not an offer or solicitation to sell, or solicitation to offer to purchase, securities, nor does it constitute a part of such solicitation or offer. This press release (or any part thereof) or the fact of its distribution shall not serve as the basis of any contract for the Tender Offer, nor shall it be relied on in executing any such contract.

The tender offer will be conducted in compliance with the procedures and information disclosure standards prescribed by the Act, which may differ from the procedures and information disclosure standards in the United States. In particular, Article 13, paragraph (e) or Article 14, paragraph (d) of the U.S. Securities Exchange Act of 1934 (as amended; the "U.S. Securities Exchange Act of 1934"), as well as the regulations set forth in these Articles, will not be applied to the Tender Offer, and the Tender Offer will not be conducted in line with the procedures or standards thereof. Financial information included in this Statement and the reference materials of this Statement are not based on the U.S. accounting standards. It may be difficult to enforce any right or claim arising under U.S. securities laws because the Tender Offeror and the Target Company are corporations incorporated outside the United States and all or some of their officers are not U.S. residents. Furthermore, it may not be possible to initiate legal proceedings in a non-U.S. court against non-U.S. corporations or individuals for violations of U.S. securities laws. In addition, non-U.S. corporations or individuals or those corporations' affiliates may not necessarily be subject to the jurisdiction of U.S. courts.

Unless otherwise specified in this Statement, all procedures relating to the Tender Offer will be conducted entirely in Japanese. All or part of the documents relating to the Tender Offer will be prepared in English; however, if there is any inconsistency between the English-language documentation and the Japanese-language documentation, the Japanese-language documentation shall prevail.

This Statement and the reference materials of this Statement contain “forward-looking statements” as defined in Article 27A of the U.S. Securities Act of 1933 (as amended) and Article 21E of the U.S. Securities Exchange Act of 1934. Actual results may substantially differ from projections, etc. expressed or implied as “forward-looking statements” because of known or unknown risks, uncertainty, or other factors. None of the Tender Offeror, the Target Company, or any of their affiliates guarantees that such projections, etc. expressed or implied as “forward-looking statements” will be achieved. The “forward-looking statements” in this Statement and the reference materials of this Statement have been prepared based on information available to the Tender Offeror as of today, and none of the Tender Offeror, the Target Company, or any of their affiliates is responsible for updating or revising any such forward-looking statements to reflect any future event or circumstance, unless required by any applicable law or regulation.

The Tender Offeror and its affiliates, and the affiliates of each financial advisor to the Tender Offeror and the Target Company may engage, prior to commencement of the Tender Offer or during the purchase period for the Tender Offer (the “Tender Offer Period”), in the purchase of or arrangement to purchase shares of the Target Company for their own account or for their customers’ accounts other than through the Tender Offer, in their ordinary course of business, to the extent permitted under Japanese laws and regulations related to financial instruments transactions and other applicable laws and regulations, and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934. If information regarding such a purchase is disclosed in Japan, it will be disclosed in English on the English website of the relevant purchaser or that of its affiliates.

End