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Notice Regarding Commencement of Tender Offer for Common Shares of DNA Chip Research Inc. (Securities Code 2397)

Mitsui Chemicals, Inc. (the "**Tender Offeror**") hereby announces as follows that it resolved at its board of directors meeting held today to acquire the common shares (the "**Target Company Shares**") of DNA Chip Research Inc. (the "**Target Company**") through a tender offer (meaning a tender offer under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "**Act**") and related laws and regulations; the "**Tender Offer**").

1. Purpose of the Tender Offer

(1) Outline of the Tender Offer

As of today, the Tender Offeror holds 937,474 Target Company Shares (ownership ratio (Note 1): 13.87%) listed on the Standard Market of the Tokyo Stock Exchange (the "**TSE**") and is the leading shareholder of the Target Company. The Tender Offeror resolved at its board of directors meeting held on February 4, 2025 to conduct the Tender Offer as part of the transactions for the purpose of acquiring all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and the treasury shares held by the Target Company) and making the Target Company a wholly-owned subsidiary of the Tender Offeror (the "**Transactions**").

Note 1: "Ownership ratio" means the percentage (rounded to the nearest two decimal places; the same applies to statements regarding ownership ratios below) of shares held out of the number of shares (6,760,536 shares; the "**Reference Number of Shares**") calculated by subtracting (i) the number of treasury shares held by the Target Company as of December 31, 2024 (6,638 shares) from (ii) the total number of issued shares as of that date (6,767,174 shares) stated in the "Non-Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 2025 (Japanese GAAP)" announced by the

Target Company on February 4, 2025 (the "**Target Company's Quarterly Financial Results**").

The Tender Offeror has set the minimum number of share certificates, etc. to be purchased in the Tender Offer at 3,119,000 shares (ownership ratio: 46.14%), and if the total number of share certificates, etc. tendered in the Tender Offer (the "**Tendered Share Certificates, Etc.**") is less than the minimum number of share certificates, etc. to be purchased, the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc.

However, as stated above, the Tender Offeror intends to make the Target Company its wholly-owned subsidiary by acquiring all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and the treasury shares held by the Target Company), and therefore, the Tender Offeror has not set a maximum number of share certificates, etc. to be purchased in the Tender Offer and will purchase all of the Tendered Share Certificates, Etc. if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of share certificates, etc. to be purchased (3,119,000 shares).

The minimum number of share certificates, etc. to be purchased (3,119,000 shares) exceeds the number of shares (2,911,600 shares) calculated by multiplying (i) the number of voting rights (29,116 voting rights) constituting a majority of the number of voting rights (58,230 voting rights) represented by the number of shares (5,823,062 shares) calculated by deducting the number of shares held by the Tender Offeror as of today (937,474 shares) from the Reference Number of Shares (6,760,536 shares) by (ii) the number of shares constituting a share unit of the Target Company (100 shares). The Tender Offer will not be successfully completed without the consent of a majority of the number of shares held by the Target Company's shareholders without any interest in the Tender Offeror, or a so-called "Majority of Minority" (as defined in "(G) Setting the minimum number of share certificates, etc. to be purchased to a number greater than the so-called "Majority of Minority"" in "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below; the same applies below), and the Tender Offer thereby respects the decisions of the Target Company's general shareholders.

Additionally, the voting rights exercise ratios at the annual shareholders' meetings of the Target Company for the past five business years were at a comparatively low level of 42% to 56% (rounded to the nearest whole number; the same applies below in regard to the calculation of voting rights exercise ratios), and according to an analysis of similar transactions (Note 2), the voting rights exercise ratios at shareholders' meetings relating to two-step acquisitions, such as the Extraordinary Shareholders' Meeting (as defined in "(B) Share consolidation" in "(4) Policy for Organizational Restructuring, Etc. After the Tender Offer (Matters Relating to the "Two-Step Acquisition")" below; the same applies below), tend to be lower than the exercise ratios for proposals at other, regular shareholders' meetings. Taking those factors into account, the Tender Offeror believes that the minimum number of share certificates, etc. to be purchased (3,119,000 shares) is a level that exceeds the so-called "Majority of Minority," ensures the successful completion of the Tender Offer, and maximizes the likelihood of the successful completion of the Transactions while also ensuring that even if the Tender Offeror does not come to hold two thirds or more of the number of voting rights of all of the Target Company's shareholders after the

Tender Offer, it will be realistically possible to conduct a series of procedures at the Extraordinary Shareholders' Meeting to make the Tender Offeror the only shareholder of the Target Company and make the Target Company a wholly-owned subsidiary of the Tender Offeror (the "**Squeeze-Out Procedures**") (i.e., a level at which the number of voting rights in the Target Company that the Tender Offeror will hold after the Tender Offer will be equal to or greater than 60% of the total number of voting rights of the Target Company). Specifically, as stated above, the voting rights exercise ratios at the annual shareholders' meetings of the Target Company for the past five business years have ranged from 42% to 56%, with the highest ratio being 56%, so by the Tender Offeror holding 60% of the total number of voting rights of the Target Company, it will hold two thirds or more of the number of voting rights of the Target Company actually exercised, as long as the voting rights exercise ratio at the Extraordinary Shareholders' Meeting is not 90% or greater. Additionally, in regard to two of the Target Company's directors who hold 3,500 shares (ownership ratio: 0.05%) of restricted stock granted as restricted stock compensation (the "**Restricted Stock**"), the Tender Offeror believes that even though they will not tender their shares in the Tender Offer, if a proposal for the Share Consolidation (as defined in "(B) Share consolidation" in "(4) Policy for Organizational Restructuring, Etc. After the Tender Offer (Matters Relating to the "Two-Step Acquisition")" below; the same applies below) is made at the Extraordinary Shareholders' Meeting after the successful completion of the Tender Offer, those directors can be expected to exercise their voting rights in favor of that proposal (Note 3). Based on these circumstances, the Tender Offeror believes that if it purchases all of the Tendered Share Certificates, Etc. in the Tender Offer, there is a high likelihood of the proposal regarding the Squeeze-Out Procedures being approved at the Extraordinary Shareholders' Meeting.

Note 2: "Similar transactions" refers to eight total tender offers by a party other than the issuer announced since January 2022 in which the purpose was to make the target company a wholly-owned subsidiary, no maximum number of share certificates, etc. to be purchased was set, a share consolidation was used as the squeeze-out method, the ownership ratio of the target company's shares by the tender offeror (including its specially related parties) before the start of the tender offer was less than 15% including the ownership ratio of specially related parties, and the target company was a listed company in Japan. As a result of the Tender Offeror's analysis of those eight tender offers, the Tender Offeror found that (i) the voting rights exercise ratios (however, excluding the number of voting rights exercised by the tender offeror) at the most recent annual shareholders' meetings in those cases ranged from 49% to 84% and averaged approximately 72%, while the voting rights exercise ratios (however, excluding the number of voting rights exercised by the tender offeror) for proposals regarding share consolidations to conduct a squeeze-out (a "**Squeeze-Out Proposal**") ranged from 5% to 57% and averaged 29%, (ii) in all eight tender offers, the voting rights exercise ratio for the Squeeze-Out Proposal was lower than the exercise ratio at the most recent annual shareholders' meeting, and (iii) in all eight tender offers, the difference between the voting rights exercise ratio at the annual shareholders' meeting and the exercise ratio for the Squeeze-Out Proposal was 78% at the highest and 10% at the lowest.

Note 3: In regard to the Restricted Stock held by two of the directors of the Target Company, although those directors cannot tender those shares in the Tender

Offer because of the transfer restrictions, the Target Company's board of directors meeting held on February 4, 2025 resolved to express an opinion in support of the Tender Offer on the assumption that the Target Company will be delisted, and all of the directors exercised their votes in favor of that resolution, so the Tender Offeror believes that those directors can be expected to support a Squeeze-Out Proposal if the Tender Offer is successfully completed.

According to the "Notice of Support for the Tender Offer for the Shares of the Company by Mitsui Chemicals, Inc. and Recommendation to Tender Shares" (the "**Target Company's Press Release**") released on February 4, 2025 by the Target Company, the Target Company resolved at its board of directors meeting held on February 4, 2025 to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer. For details regarding the resolution of the board of directors of the Target Company, please refer to the Target Company's Press Release and "(F) Approval of all disinterested directors (including audit and supervisory committee members) of the Target Company" in "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the Tender Offer, and Management Policy After the Tender Offer

(A) Background, purpose, and decision-making process with respect to the Tender Offeror deciding to conduct the Tender Offer

The Tender Offeror is a company that was newly formed through an equal merger between Mitsui Petrochemical Industries, Ltd., the predecessor of the Tender Offeror, and Mitsui Toatsu Chemicals, Inc. on October 1, 1997, and its roots date back to April 1933, when Toyo Koatsu Industries Inc., the predecessor to Mitsui Toatsu Chemicals, Inc., began operating an ammonium sulfate plant in Omuta City, Fukuoka Prefecture. In October 1962, the Tender Offeror was listed on the Second Section of the TSE and on the Second Section of the Osaka Securities Exchange Co., Ltd. (the "**OSE**"), and in February 1965, it was moved to the First Section of each exchange. The Tender Offeror was delisted from the First Section of the OSE in December 2003, and due to a market restructuring by the TSE in April 2022, as of today, it is listed on the Prime Market of the TSE.

As of December 31, 2024, the Tender Offeror's group (the "**Tender Offeror Group**") is composed of the Tender Offeror, 127 subsidiaries, 4 joint operations, and 25 affiliates and joint ventures.

The Tender Offeror Group has established a corporate mission of contributing broadly to society by providing high-quality products and services to customers through innovation and the creation of materials, while keeping in harmony with the global environment, and it has set a corporate target of being a corporate group that continues to grow through solving social challenges and creating diverse value with the power of chemistry. In Vision 2030, the long-term business plan announced by the Tender Offeror on June 2, 2021, taking into account the internal and external environments and megatrends (Note 1), the Tender Offeror Group defines the future society that it aims to achieve through its contributions to resolving possible environmental and social issues as an inclusive society creating diverse value, a circular society in

harmony with the environment, and a comfortable society in which people can enjoy healthy lives and well-being. Additionally, in order to contribute to resolving those environmental and social issues and to achieve sustainable growth driven by those efforts, the Tender Offeror Group is working to transition away from the previous business of providing materials by developing a social issue perspective, building solutions-based business models, bolstering circular economy initiatives, and achieving corporate transformation through DX, and to steadily implement those initiatives, it has established the following four business portfolios.

Note 1: Megatrends are long-term, wide-reaching changes in society, the economy, or technology that have a large impact on the world or on industry.

A. Life and healthcare solutions

Based on a business vision of contributing to improved quality of life and the assurance of food safety and security by offering solutions that support life, health, and comfortable lifestyles, the Tender Offeror Group manufactures and sells vision care materials, nonwovens, oral care materials, personal care materials, and agrochemical products. It is also actively promoting expansion into new areas such as the orthopedics business and testing and diagnosis business.

B. Mobility solutions

Based on a business vision of providing unique materials, features, and services to help solve social challenges and achieve sustainable business growth, the Tender Offeror Group manufactures and sells elastomers (Note 2), performance compounds (Note 3), and polypropylene compounds (Note 4) and engages in a solutions business that provides support services for developing new automotive and other industrial products.

C. ICT solutions

Based on a business vision of creating and growing a unique ICT solutions business that contributes to the evolution of AI, beyond-5G, and other such technologies that can support safe and pleasant infrastructure, healthy living, and a sustainable global environment, the Tender Offeror Group manufactures and sells semiconductor and electronic component parts, imaging solutions, lithium-ion battery materials, next-generation battery materials, and high-performance food packaging materials.

D. Basic and green materials

Based on a business vision of accomplishing business restructuring as well as leading the Tender Offeror Group's efforts to bring about a circular economy revolution with the aim of reducing environmental impacts and realizing a decarbonized society, the Tender Offeror Group manufactures and sells ethylene (Note 5), propylene (Note 6), polyethylene (Note 7), polypropylene (Note 8), catalysts, phenols (Note 9), purified terephthalic acid (Note 10), PET resins (Note 11), polyurethane raw materials (Note 12), and industrial chemicals.

Note 2: Elastomers are a collective term for industrial materials with rubber elasticity, such as synthetic rubbers.

Note 3: Performance compounds are materials whose performance has been increased by combining highly polymerized compounds with various additives.

Note 4: Polypropylene compounds are materials whose performance has been increased by combining polypropylene, a common, general-purpose resin, with various additives.

Note 5: Ethylene, a monomer produced when thermally decomposing naphtha, is used in one of the raw materials (ethylene glycol) for PET bottles and polyester fibers.

Note 6: Propylene, a monomer produced when thermally decomposing naphtha, is used in one of the raw materials for paints and acrylic fibers.

Note 7: Polyethylene, a polymer produced by polymerizing ethylene, possesses excellent impact resistance and chemical resistance.

Note 8: Polypropylene, a polymer produced by polymerizing propylene, is lightweight and possesses excellent heat resistance.

Note 9: Phenols, chemical compounds in which a hydroxyl group is directly attached to an aromatic ring, are a group of basic chemicals such as phenol, bisphenol A, and meta/para-cresol.

Note 10: Purified terephthalic acid, a compound produced by purifying (to 99.9% or more) unrefined terephthalic acid through separation and refinement after the oxidation of para-xylene, is used in one of the raw materials for polyester.

Note 11: PET resins (polyethylene terephthalate resins), which are produced by joining terephthalic acid and ethylene glycol, are transparent and heat resistant.

Note 12: Polyurethane raw materials refers to isocyanates and polyols, the main raw materials for polyurethane, which is a highly polymerized compound that contains urethane links.

In Vision 2030, its long-term business plan, the Tender Offeror Group set out a goal of achieving portfolio reforms to make the life and healthcare solutions business its main pillar of earnings, and while actively allocating resources towards that goal, it is also aiming to acquire a foundation for entering new business domains through M&A and external cooperation.

The Target Company was founded in April 1999 as DNA Chip Research Inc., and in November 2002, it changed to its current trade name, DNA Chip Research Inc. Following that, the Target Company was listed on the Mothers Market of the TSE in March 2004 and was then moved to the Second Section of the TSE in August 2014. Due to the market restructuring by the TSE in April 2022, the Target Company is currently listed on the Standard Market of the TSE.

As of today, the Target Company does not have any subsidiaries or affiliates, and its main businesses are the contracting business, which provides contracted analysis services, and the diagnostics business, which develops and sells diagnostic services

using nucleic acid analysis technology. The Target Company is expanding its business activities based on comprehensive strategies developed for each business.

An overview of the Target Company's businesses is as follows.

(A) Contracting business

In the contracting business, the Target Company's main customers are universities, public research agencies, and corporations such as pharmaceutical companies, and the Target Company provides next-generation sequencing, microarray experiment analysis, and other such services. The Target Company focuses its efforts on offering experiment design proposals, data analysis, and support services tailored to the goals of each customer.

The main services provided in the contracting business are contracted next-generation sequencing analysis services, contracted microarray analysis services, and other genetic analysis services, including digital PCR analysis, the details of which are as follows.

Contracted next-generation sequencing analysis services

By using next-generation sequencers (Note 13) to comprehensively decode DNA (Note 14) and RNA (Note 15), genetic mutations and the amounts of genes in cells can be measured.

The main services are as follows.

- Gene expression analysis services (RNA-Seq)

The amount of gene expression is measured using RNA samples from various organisms. Analysis can be performed on many types of samples, such as trace samples and samples obtained by disassociating FFPE (Note 16) specimens.

- MiRNA gene expression analysis services (miRNA-Seq)

The amount of miRNA (Note 17) expression is measured using RNA samples from various organisms. Services include expression analysis for miRNA in blood serum, blood plasma, and exosomes (Note 18) closely related to cancer.

- Exosome analysis and whole genome analysis services

Genetic mutations are efficiently detected through analysis by concentrating entire genes or certain regions of genes. This makes it possible to thoroughly search for genes that cause rare diseases or cancer.

- Cancer panel analysis

This analysis detects genetic mutations in certain regions of cancer genes with high sensitivity.

- Epigenetics analysis

This analysis thoroughly searches for the genome region relating to the transcriptional control of genes through DNA methylation analysis (Note 19).

- 16 SrRNA analysis, metagenome shotgun analysis (microbiota analysis)

This analysis identifies the microbiota in human intestines or in an environment using stool, saliva, skin, and other samples.

Note 13: Next-generation sequencers are devices that rapidly analyze large quantities of nucleotide base sequences.

Note 14: DNA (deoxyribonucleic acid) is located inside the nuclei of cells and is composed of four nucleotide bases, adenine (A), cytosine (C), guanine (G), and thymine (T), joined together in a long chain.

Note 15: RNA (ribonucleic acid) is similar to DNA and is a molecule in which four nucleotide bases, adenine (A), uracil (U), guanine (G), and cytosine (C), join together in a single strand.

Note 16: FFPE is an acronym of "formalin-fixed paraffin-embedded," which is a technique used when performing histopathological examinations.

Note 17: miRNA is an abbreviation of micro RNA, which is a molecule that contributes to the regulation of gene expression.

Note 18: Exosomes are extracellular vesicles 50 to 150 nm in radius that are secreted by cells.

Note 19: DNA methylation analysis is an analysis of DNA to which a methyl group has been added.

Contracted microarray analysis services

The contracted microarray analysis services (Note 20) provided by the Target Company are as follows.

- Gene expression analysis services

The amount of gene expression is measured using RNA samples from various organisms.

- Genome structure analysis services

The structure (such as damages, repetitions, and copy number variations) of minute regions of DNA is measured.

- C3 check services

Using a custom array CGH analysis (Note 21) developed independently by the Target Company, genome copy number abnormalities in the culturing process are detected with high accuracy to evaluate the quality of cells used for regenerative medicine.

Note 20: Contracted microarray analysis services are contracted genetic analysis services that use DNA chips (DNA microarrays).

Note 21: Custom array CGH analysis is a method (known as comparative genomic hybridization) for analyzing genome copy number abnormalities using order-made DNA chips (DNA microarrays).

Other genetic analysis services

The Target Company plans to continue providing its digital PCR contracted analysis services, which enable the absolute measurement of small amounts of genes.

Additionally, the Target Company is also focusing efforts on its services for extracting nucleic acids (DNA/RNA) from biological samples (such as cells or tissues).

- Digital PCR contracted analysis services

Using low-density samples, absolute measurements can be performed with high accuracy without creating a calibration curve, and minor differences in copy numbers can be detected. This analysis is used for purposes such as analyzing genetic mutations.

- Nucleic acid (DNA/RNA) extraction services

Nucleic acids (DNA/RNA) are extracted from various biological samples such as cells or tissues based on the purpose of the next-generation sequence or microarray.

(B) Diagnostics business

The goal of the diagnostics business is to use the genetic analysis technologies cultivated by the Target Company to increase the use of the following tests that aim to address society's needs for personalized treatment and a healthy society, and the main customers of the business include medical institutes, research institutes, and corporations. The main products of the diagnostics business are Lung Cancer Compact Panel™ (Note 22) and MammaPrint.

Note 22: Lung Cancer Compact Panel™ is a test that detects multiple genetic mutations to determine whether or not certain drugs (molecularly targeted drugs) will be effective before administering them.

Lung Cancer Compact Panel™

Lung Cancer Compact Panel™ is a companion diagnostic test for achieving personalized, precision treatment tailored to the genetic abnormalities of each lung cancer patient. At present, there are molecularly targeted drugs available on the market that are applicable to driver mutations such as EGFR, ALK, MET, BRAF, ROS1, KRAS, RET, ERBB2 (HER2), and NTRK, so there is increasing importance for panel tests that enable the comprehensive testing of genetic mutations. Lung Cancer Compact Panel™ targets genetic mutations that can aid in the administration of specialty drugs for lung cancer and provides a comprehensive and highly sensitive genetic panel companion diagnosis. The quality of nucleic acids extracted from biopsy tissues varies depending on the sample, but Lung Cancer Compact Panel™ is designed to work even with low-quality samples. Additionally, the technology can also be applied to types of tests that were previously difficult to perform with panels, such as those for pleural effusions and cytodiagnosis, and it is expected to aid in providing medicine to a greater number of patients.

Panels tests are becoming increasingly common as the initial tests performed on new lung cancer patients, of whom there are 110,000 each year, and it is becoming difficult to handle testing through multiple single-gene tests due to an increase in the number of available drugs and relevant genes. Given these circumstances, the ratio of panel tests performed is expected to increase further in the future. Additionally, molecularly targeted drugs have been shown to be effective as a support treatment when performing surgery, and the demand for testing related to those drugs is increasing for early stage lung cancer. Furthermore, as needs for testing for

mutations that provide drug resistance are increasing, the applications of companion genetic testing are expanding. It is anticipated that in the future, panel testing will be used for approximately half of all lung cancer cases, which would lead to a market of approximately 50,000 tests per year in Japan.

Based on the results of joint research with the Nara Institute of Science and Technology and the Osaka International Cancer Institute, the Target Company developed and performed pharmaceutical testing for Lung Cancer Compact Panel™. Drug approval was obtained on November 16, 2022, and the Target Company currently provides Lung Cancer Compact Panel™ to clinical testing labs and medical laboratories as a testing service covered by health insurance.

NOIR and AI analysis

The Target Company possesses its own patented technology for detecting nucleic acid mutations through molecular barcoding. Through this technology, the Target Company provides analysis services for the development and research of liquid biopsy testing that detects trace amounts of DNA from tumors in the blood and accurately profiles immunoexpression. The Target Company is also putting effort into the development of technologies that use AI to process vast amounts of data to identify data that may be clinically useful.

MammaPrint

MammaPrint is a genetic test that predicts the risk of recurrence of breast cancer.

The prognosis of breast cancer is very difficult, and treatment is necessary after surgery to prevent the recurrence or relocation of the cancer. MammaPrint examines the genetic expression of cancer tissues removed via surgery to identify the cancer recurrence risk for each patient. As a result, future risks can be identified in advance, making it possible to create a systematic treatment plan for breast cancer.

MammaPrint tests are performed by Agendia, Inc. (headquartered in the Netherlands), and the Target Company is the sales agent of MammaPrint in Japan.

In addition to "(A) Contracting business" and "(B) Diagnostics business" above, the Target Company is also engaged in research and development on the following related technologies.

NOIR-SS technology

The Target Company is engaged in the research and development of NOIR-SS, a technology that accurately detects very small amounts of genetic mutations using the Target Company's own unique molecular barcode technology. It anticipates that NOIR-SS will be able to be applied to very small biopsy tissue samples and blood samples, which require high sensitivity. In particular, in order to examine whether or not NOIR-SS can be applied to liquid biopsies (minimally-invasive testing using blood or other body fluid samples), the Target Company is progressing with research relating to identifying cancer remaining after surgery and determining the efficacy of cancer drugs.

Other applications of Lung Cancer Compact Panel™

Using its expertise in genetic panel development, pharmaceutical affair strategies, and creating systems for software as a medical device that it developed through Lung Cancer Compact Panel™, the Target Company plans to develop panels for other types of cancer. The Target Company is aiming to develop highly sensitive panel products that can be used on a wide variety of samples and that suit diagnosis and treatment needs in Japan, and it is progressing with discussions with doctors who are key opinion leaders and with pharmaceutical companies.

RNA checking

Through joint research with universities and research institutes, the Target Company is developing a new testing method called RNA checking to contribute to future diagnostics and new drug development. Unlike genetic testing on DNA, RNA checking makes it possible to identify how genes are functioning. The main research relating to RNA checking that the Target Company is engaged in includes research on predicting the effectiveness of antirheumatics and biomarker research for the purpose of achieving the early detection of depression.

Collaboration with the Tender Offeror

Under its capital and business alliance agreements with the Tender Offeror (please refer to Capital and Business Alliance Agreement No. 1 and Capital and Business Alliance Agreement No. 2, defined below), the Target Company is engaged in discussions and development with the Tender Offeror with the goal of creating new services in the testing and diagnostics field by leveraging the networks and management resources of each company.

The Target Company conducts its businesses based on its motto of creative innovation and its corporate philosophy of contributing to society and valuing people. As a leading company in the field of life sciences, where significant developments that will contribute to the health and happiness of humanity are anticipated, the Target Company endeavors to refine its world-class technologies with a constant view towards achieving breakthroughs and globalization and to promote personal development and joint research based on relationships of trust, and it conducts sound and balanced management based on the principle of benefiting Japan and all of humanity. Additionally, in order to fulfill its social responsibility, the Target Company ensures that its corporate activities are fair and in compliance with both Japanese and foreign laws and regulations, and it aims to enhance its corporate value to benefit its shareholders, customers, employees, and other stakeholders.

The Tender Offeror thoroughly considered alliance partner candidates for the purpose of developing new businesses in the testing and diagnostics business, as a result of which it identified the Target Company, which is engaged in the diagnostics business and research business and has strengths in genetic analysis technologies using devices such as next-generation sequencers and DNA microarrays, as a candidate and

commenced discussions with the Target Company from May 2021. Furthermore, from April 2022, the Tender Offeror and the Target Company held meetings on multiple occasions to discuss the possibility of a capital and business alliance, and they held repeated discussions while deepening their understanding of each other.

As a result, the Tender Offeror and the Target Company entered into a capital and business alliance agreement on January 24, 2023 ("**Capital and Business Alliance Agreement No. 1**") and another capital and business alliance agreement on February 8, 2024 ("**Capital and Business Alliance Agreement No. 2**").

The goal of Capital and Business Alliance Agreement No. 1 is to expand each company's testing and diagnostics business mainly in the area of genetic testing and to create new businesses by making effective use of the genetic analysis technologies of the Target Company focused on DNA and RNA and the Tender Offeror's life science technologies and by leveraging the networks and management resources of each company. Specifically, the Tender Offeror and the Target Company entered into Capital and Business Alliance Agreement No. 1 because, as the networks in the genetic analysis and diagnostics industries cultivated by the Target Company, particularly its networks with university hospitals, public institutes, pharmaceutical companies, food companies, and testing companies, and the Tender Offeror's networks in the materials and chemical products industries complement each other, they judged that by using both companies' networks, it would be possible to promote new research and development, enter new areas and domains in the field of diagnostics, and obtain new customers, and they judged that combining the genetic analysis technologies of the Target Company with the life science technologies of the Tender Offeror would lead to the development of high-accuracy, high-quality diagnostic tools and make it possible to achieve high-performance services at lower costs.

Since entering into Capital and Business Alliance Agreement No. 1 with the Target Company, the Tender Offeror has engaged in discussions with the Target Company regarding marketing strategies and sales expansion measures in order to increase the sales of the Target Company's Lung Cancer Compact Panel™.

As a specific result of those efforts, the Target Company advanced its efforts to promote sales of Lung Cancer Compact Panel™, strengthened its collaboration with a major testing company, and succeeded in growing the number of customers (such as medical institutes) through sales activities aimed at hospitals and clinics that treat lung cancer throughout Japan. Additionally, the Tender Offeror and the Target Company held repeated discussions regarding the development of testing methods for new gene panel diagnostics for diseases other than cancer, and they narrowed down the target diseases through technical research, market research, and regulation research. Following the above, the Tender Offeror and the Target Company entered into Capital and Business Alliance Agreement No. 2 in order to further develop their capital and business alliance and expand the diagnostics businesses of both companies by promoting development on new themes and expanding the sales of Lung Cancer Compact Panel™. Under Capital and Business Alliance Agreement No. 1, the Tender Offeror was able to nominate one candidate as an outside director (non-executive, non-full-time) who is an audit and supervisory committee member of the Target Company, and under Capital and Business Alliance Agreement No. 2, the Tender Offeror was able to nominate one candidate as an outside director (non-executive, non-full-time) who is not an audit and supervisory committee member and one candidate as an outside director (non-executive, non-full-time) who is an audit and

supervisory committee member. As a result, as of today, the Tender Offeror has dispatched one outside director (non-executive, non-full-time) who is not an audit and supervisory committee member and one outside director (non-executive, non-full-time) who is an audit and supervisory committee member to the Target Company.

The Tender Offeror acquired 523,364 Target Company Shares on February 21, 2023 under Capital and Business Alliance No. 1 (ownership ratio to the number of shares (5,829,563 shares) calculated by deducting the number of treasury shares (137 shares) held by the Target Company at that time from the total number of issued shares of the Target Company at that time (5,829,700 shares): 8.98%) and 414,110 Target Company Shares on March 28, 2024 under Capital and Business Alliance No. 2 (ownership ratio to the number of shares (6,349,926 shares) calculated by deducting the number of treasury shares (3,138 shares) held by the Target Company at that time from the total number of issued shares of the Target Company at that time (6,353,064 shares): 6.52%), in each case through a capital increase by third-party allotment, and as of today, the Tender Offeror holds 937,474 Target Company Shares (ownership ratio: 13.87%).

As set out above, the Tender Offeror has promoted collaboration with the Target Company and deepened its relationship therewith, but under a limited capital relationship, there are certain restrictions on efficiently and actively allocating management resources to the Target Company and on initiatives such as the mutual utilization of management resources and exchange of personnel between the Tender Offeror and the Target Company, thereby creating situations in which it is difficult to promptly make decisions or implement measures.

In consideration of the above, in early July 2024, the Tender Offeror began its initial consideration of making the Target Company its wholly-owned subsidiary through the Tender Offer in order to achieve the further growth of the Target Company and the Tender Offeror Group. In mid-September 2024, taking into account the measures stated in (i) to (iii) below and the fact that under Capital and Business Alliance Agreement No. 2, the Tender Offeror and the Target Company had achieved synergies such as a joint research and development project commenced in April 2024, the dispatch of the deputy general manager of the Corporate Planning Division (non-full-time), and the strengthening of sales and marketing activities through a business working group launched by both companies, the Tender Offeror determined that the Tender Offeror Group strengthening collaboration with the Target Company by means such as dispatching additional personnel from the Tender Offeror Group, mutually exchanging personnel, and providing the business administration expertise and administration support services (Note 23) of the Tender Offeror to the Target Company is important in order to achieve the development of the Target Company and the Tender Offeror Group over the medium to long term, and that the Target Company becoming a wholly-owned subsidiary of the Tender Offeror instead of maintaining its listing and continuing to operate independently would make it possible to manage its operations in unity and close cooperation with the Tender Offeror Group, thereby contributing to growing the businesses of both companies. In order to achieve that, the Tender Offeror concluded that it was appropriate to conduct the Tender Offer as part of the Transactions.

Note 23: Administration support services refer to support provided to the administrative divisions of a subsidiary by its parent company, such as group financing, support related to legal affairs, and support for intellectual property research.

(i) Expand into new areas in the Tender Offeror's life and healthcare solutions business

In the life and healthcare solutions business, which the Tender Offeror aims to grow as its main pillar of earnings, the Tender Offeror will be able to acquire a business base in the testing and diagnostics field by joining with the Target Company, which possesses capabilities relating to development, pharmaceutical affairs, testing operations, sales, and other matters in the diagnostics business and the research and contracting business, and making it a wholly-owned subsidiary. Additionally, by combining the life science technologies of the Tender Offeror with the genetic analysis technologies of the Target Company focused on DNA and RNA, and by further promoting the use of the Tender Offeror Group's networks with corporations and research institutes and its corporate venture capital capabilities, the Tender Offeror anticipates the development of new, distinctive testing and diagnostics products and services and the creation of new businesses centered around the Target Company's businesses in the Tender Offeror Group's testing and diagnostics field. Moving forward, the Tender Offeror believes it can achieve growth in the life and healthcare solutions business, which is essential to achieving Vision 2030, its long-term business plan, by positioning the Target Company in the center of the Tender Offeror's testing and diagnostics business and working to expand business through the above efforts.

(ii) Expand and accelerate the Target Company's diagnostics business

The Target Company began selling Lung Cancer Compact Panel™ (Four Gene Panel) in January 2023 and Lung Cancer Compact Panel™ (Seven Gene Panel) in February 2024, and the Tender Offeror is aware that due to the products' characteristics such as high (1%) detection sensitivity and ability to detect mutations using cell samples, the net sales of the diagnostics business are steadily expanding, growing from a result of 175 million yen in the fiscal year ended March 2024 to a forecast of 880 million yen for the fiscal year ending March 2025 (according to the Target Company's "Second Quarter Financial Results Explanation" released in November 2024). In order to further expand the diagnostics business mainly around Lung Cancer Compact Panel™, the Tender Offeror believes that it is possible to accelerate the acquisition of new customers in Japan and expand globally by using the management resources and networks of the Tender Offeror Group.

(iii) Strengthening the Target Company's management foundations

The Target Company becoming part of the Tender Offeror Group can be expected to improve the financial stability of the Target Company through the Tender Offeror Group's group finance functions and to improve the level of recognition and trust among customers, business partners, and other stakeholders. Furthermore, the Tender Offeror providing its business administration expertise and administration support services to the Target Company can be expected to strengthen the Target Company's management foundations and enhance its corporate value.

Based on the above understanding, in order to proceed with the specific procedures for the Transactions, in early October 2024, the Tender Offeror appointed KPMG AZSA

LLC ("**KPMG**") as its financial advisor and third-party appraiser independent from the Tender Offeror and the Target Company and Mori Hamada & Matsumoto as its legal advisor, and it established a system for considering the Transactions and engaging in discussions with the Target Company.

Following that, in mid-October 2024, the Tender Offeror made a request to the Target Company to begin consideration and discussions regarding the Transactions, and on October 24, 2024, it submitted a letter of intent (the "**Letter of Intent**") to the Target Company stating matters such as the background to and purpose and structure of the Transactions.

Thereafter, the Tender Offeror conducted due diligence on the Target Company from early November 2024 to late December 2024 in order to thoroughly examine the feasibility of the Transactions while at the same time conducting negotiations with the Target Company regarding the significance and purpose of the Transactions, business policies after the Transactions, the synergies to be created through the Transactions, the purchase price per Target Company Share in the Tender Offer (the "**Tender Offer Price**"), and the terms of the Transactions. Specifically, taking into account matters such as the calculation of the value of the Target Company Shares by KPMG, trends in the market value of the Target Company Shares, and the prospect of share certificates, etc. being tendered in the Tender Offer, on December 26, 2024, the Tender Offeror made a proposal to the Target Company (i) to set the Tender Offer Price at 900 yen (which includes a premium of 49.01% (rounded to two decimal places; the same applies below in regard to the calculation of premiums) on 604 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on December 25, 2024, the business day preceding the date of the proposal, a premium of 38.04% on 652 yen (rounded to the nearest whole yen; the same applies below in regard to the calculation of simple average closing prices), the simple average closing price for the one-month period ending on that date, a premium of 28.02% on 703 yen, the simple average closing price for the three-month period ending on that date, and a premium of 16.88% on 770 yen, the simple average closing price for the six-month period ending on that date), and (ii) to not set a maximum number of share certificates, etc. to be purchased as the Tender Offeror intends to make the Target Company a wholly-owned subsidiary, and to set the minimum number of share certificates, etc. to be purchased at 2,911,600 shares (ownership ratio: 43.07%), which satisfies the so-called "Majority of Minority."

On January 8, 2025, the Tender Offeror received a response from the Special Committee (as defined in "(B) Process of and reasons for the decision by the Target Company to support the Tender Offer" below; the same applies below) (i) requesting the Tender Offeror to reconsider the Tender Offer Price as the price proposed on December 26, 2024 could not be said to give sufficient consideration to the interests of the Target Company's general shareholders and (ii) stating that the Special Committee may request discussions with the Tender Offeror in regard to the minimum number of share certificates, etc. to be purchased in the Tender Offer after the Special Committee confirms the explanations to the Target Company's general shareholders stated in the tender offer registration statement planned to be disclosed by the Tender Offeror. In response to the request from the Special Committee on January 8, 2025 to propose another price, the Tender Offeror reconsidered the proposed price, etc. and, on January 16, 2025, made a second proposal to the Target Company (i) to set the Tender Offer Price at 980 yen (which includes a premium of 50.77% on 650 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on

January 15, 2025, the business day preceding the date of the proposal, a premium of 52.41% on 643 yen, the simple average closing price for the one-month period ending on that date, a premium of 43.48% on 683 yen, the simple average closing price for the three-month period ending on that date, and a premium of 31.90% on 743 yen, the simple average closing price for the six-month period ending on that date) and (ii) requesting the Target Company to confirm the explanations to the Target Company's shareholders regarding the minimum number of share certificates, etc. to be purchased in the Tender Offer as stated in the tender offer registration statement. In response to the second proposal, on January 17, 2025, the Tender Offeror received a response from the Special Committee (i) requesting the Tender Offeror to reconsider the Tender Offer Price as the price in the second proposal on January 16, 2025 still could not be said to give sufficient consideration to the interests of the Target Company's general shareholders and (ii) stating that the Special Committee may again request discussions with the Tender Offeror in regard to the minimum number of share certificates, etc. to be purchased in the Tender Offer when the Special Committee confirms the explanations to the Target Company's general shareholders stated in the tender offer registration statement, and the Tender Offeror received from the Special Committee additional questions regarding matters such as the minimum number of share certificates, etc. to be purchased and the significance and purpose of the Transactions. In response to the request from the Special Committee on January 17, 2025 to propose another price, the Tender Offeror seriously reconsidered the proposed price, etc. and, on January 21, 2025, made a third proposal to the Target Company (i) to set the Tender Offer Price at 1,050 yen (which includes a premium of 60.55% on 654 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on January 20, 2025, the business day preceding the date of the proposal, a premium of 64.32% on 639 yen, the simple average closing price for the one-month period ending on that date, a premium of 54.87% on 678 yen, the simple average closing price for the three-month period ending on that date, and a premium of 43.44% on 732 yen, the simple average closing price for the six-month period ending on that date) and (ii) requesting the Target Company to confirm the response regarding matters such as the minimum number of shares and the significance and purpose of the Transactions submitted by the Tender Offeror to the additional questions regarding the explanations to the general shareholders concerning the minimum number of share certificates, etc. to be purchased in the Tender Offer. In response to the third proposal, on January 22, 2025, the Tender Offeror received a response from the Special Committee (i) requesting the Tender Offeror to again reconsider the Tender Offer Price as the price in the third proposal on January 21, 2025 still could not be said to give sufficient consideration to the interests of the Target Company's general shareholders and (ii) stating that when the Special Committee confirms the response to the additional questions and the explanations to general shareholders regarding the minimum number of share certificates, etc. to be purchased in the Tender Offer, if that response and those explanations are not sufficient, the Special Committee intends to request the Tender Offeror to increase the minimum number of share certificates, etc. to be purchased. In response to the request from the Special Committee on January 22, 2025 to propose another price, the Tender Offeror seriously reconsidered the proposed price and, on January 24, 2025, made a fourth proposal to the Target Company (i) to set the Tender Offer Price at 1,080 yen (which includes a premium of 67.70% on 644 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on January 23, 2025, the business day preceding the date of the proposal, a premium of 68.75% on 640 yen, the simple average closing price for the one-month period ending on that date,

a premium of 60.24% on 674 yen, the simple average closing price for the three-month period ending on that date, and a premium of 48.35% on 728 yen, the simple average closing price for the six-month period ending on that date) and (ii) to not change the minimum number of share certificates, etc. to be purchased in the Tender Offer and requesting the Target Company to confirm the response regarding the minimum number of share certificates, etc. to be purchased submitted by the Tender Offeror to the additional questions. In response to the fourth proposal, on January 27, 2025, the Tender Offeror received a response from the Special Committee (i) requesting the Tender Offeror to consider further increasing the Tender Offer Price as although the price in the fourth proposal on January 24, 2025 was at a level that could be found to have a certain degree of merit, it is necessary to give sufficient consideration to ensuring the interests of the Target Company's general shareholders who have held shares over the medium to long term and (ii) requesting the Tender Offeror to consider increasing the minimum number of share certificates, etc. to be purchased, which had been set at 2,911,600 shares (ownership ratio: 43.07%), a number equivalent to the Majority of Minority, as the Special Committee considered that the issue of coercive pressure could not be entirely resolved based on the responses to the additional questions as of that date, the explanations to general shareholders in the tender offer registration statement, and the explanations from the Tender Offeror. In response to the request from the Special Committee on January 27, 2025 to propose another price and another minimum number of share certificates, etc. to be purchased, the Tender Offeror seriously reconsidered the proposed price and the minimum number of share certificates, etc. to be purchased and, on January 28, 2025, made a fifth proposal to the Target Company (i) to set the Tender Offer Price at 1,100 yen (which includes a premium of 64.92% on 667 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on January 27, 2025, the business day preceding the date of the proposal, a premium of 69.23% on 650 yen, the simple average closing price for the one-month period ending on that date, a premium of 63.45% on 673 yen, the simple average closing price for the three-month period ending on that date, and a premium of 52.14% on 723 yen, the simple average closing price for the six-month period ending on that date) and (ii) to set the minimum number of share certificates, etc. to be purchased at 3,119,000 shares (ownership ratio: 46.14%) (a level at which the number of voting rights of the Target Company held by the Tender Offeror after the Tender Offer will be 60% or more of the total number of voting rights of the Target Company). In response, the Tender Offeror received a response from the Special Committee on February 3, 2025 stating that the Special Committee accepts the Tender Offer Price and other various conditions regarding the Tender Offer in the fifth proposal.

Based on the above process, following subsequent discussions and negotiations, the Tender Offeror resolved at its board of directors meeting held on February 4, 2025 to conduct the Tender Offer as part of the Transactions.

(B) Process of and reasons for the decision by the Target Company to support the Tender Offer

According to the Target Company's Press Release, the process of and reasons for the decision by the Target Company to support the Tender Offer are as follows.

(i) Proposal from the Tender Offeror and establishment of consideration system

As stated in "(A) Background, purpose, and decision-making process with respect to the Tender Offeror deciding to conduct the Tender Offer" above, on October 24, 2024, the Target Company received from the Tender Offeror the Letter of Intent and an explanation that the significance and purpose of the Transactions is to maximize the corporate value of both companies and achieve sustainable growth by strengthening the capital relationship between them and achieving even closer business collaboration. After carefully considering the proposal, the Target Company decided to begin due diligence and other specific consideration and discussions for the Transactions, and in early November 2024, it appointed Plutus Consulting Co., Ltd. ("**Plutus**") as its third-party appraiser and financial advisor independent from the Tender Offeror and the Target Company and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) ("**Nishimura & Asahi**") as its legal advisor. Additionally, although the Target Company is not a consolidated subsidiary of the Tender Offeror, and the Tender Offer does not constitute an acquisition of a controlled company by a controlling shareholder, the Tender Offeror is a major shareholder and the leading shareholder of the Target Company, holding 937,474 Target Company Shares (ownership ratio: 13.87%) under its capital and business alliance agreements with the Target Company, and there are officers and employees of the Tender Offeror who also serve as officers of the Target Company. In consideration of those and other factors, in order to exclude any arbitrariness from the decision-making process of the Target Company's board of directors upon considering whether or not to enter into the Transactions and ensure the fairness, transparency, and objectivity of that process, based on advice from Nishimura & Asahi, on November 20, 2024, by a resolution at the Target Company's board of directors meeting, the Target Company established a special committee (the "**Special Committee**") that is independent from the Tender Offeror and the Target Company as well as the outcome of the Transactions and is composed of three members, Mr. Masakazu Kuji and Ms. Shoko Kawamoto, who are outside directors of the Target Company, and Mr. Kotaro Okada (an attorney at Tokyo International Law Office), who is an external expert. (For details regarding the establishment of the Special Committee (including the background to the appointment of its members), the consideration it conducted, and the judgments it reached, please refer to "(D) Establishment by the Target Company of an independent special committee and procurement by the Target Company of a report from the special committee" in "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.) Additionally, the Target Company internally established a system to consider, conduct negotiations, and make decisions regarding the Transactions independent from the Tender Offeror (including the scope and duties of the officers and employees of the Target Company involved in considering, negotiating, and making decisions regarding the Transactions), and at the first meeting of the Special Committee held on November 25, 2024, the Special Committee granted its approval in regard to there being no issues relating to the independence of that consideration system.

After establishing the above system, based on negotiation policies approved in advance by the Special Committee and on opinions, instructions, and requests of the Special Committee at important stages of the negotiations, and while receiving advice from Plutus and Nishimura & Asahi, the Target Company engaged in discussions and negotiations with the Tender Offeror on multiple occasions regarding matters such as the benefits and disadvantages of the Transactions and the fairness and appropriateness of the terms thereof.

(ii) Consideration and negotiations

On December 26, 2024, the Target Company received from the Tender Offeror a first proposal (i) to set the Tender Offer Price at 900 yen per Target Company Share (which includes a premium of 49.01% on 604 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on December 25, 2024, the business day preceding the date of the proposal, a premium of 38.04% on 652 yen, the simple average closing price for the one-month period ending on that date, a premium of 28.02% on 703 yen, the simple average closing price for the three-month period ending on that date, and a premium of 16.88% on 770 yen, the simple average closing price for the six-month period ending on that date) and (ii) to not set a maximum number of share certificates, etc. to be purchased as the Tender Offeror intends to make the Target Company a wholly-owned subsidiary, and to set the minimum number of share certificates, etc. to be purchased at 2,911,600 shares (ownership ratio: 43.07%), which satisfies the so-called "Majority of Minority." On January 8, 2025, the Special Committee of the Target Company responded to the first proposal of the Tender Offeror, requesting the Tender Offeror to reconsider the Tender Offer Price as the price proposed in the first proposal could not be said to give sufficient consideration to the interests of the Target Company's general shareholders and stating that the Special Committee may request discussions with the Tender Offeror in regard to the minimum number of share certificates, etc. to be purchased in the Tender Offer after the Special Committee confirms the explanations to the Target Company's general shareholders stated in the tender offer registration statement planned to be disclosed by the Tender Offeror. Following that, on January 16, 2025, the Target Company received a second proposal from the Tender Offeror (i) to set the Tender Offer Price at 980 yen per Target Company Share (which includes a premium of 50.77% on 650 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on January 15, 2025, the business day preceding the date of the proposal, a premium of 52.41% on 643 yen, the simple average closing price for the one-month period ending on that date, a premium of 43.48% on 683 yen, the simple average closing price for the three-month period ending on that date, and a premium of 31.90% on 743 yen, the simple average closing price for the six-month period ending on that date) and (ii) requesting the Target Company to confirm the explanations to the Target Company's shareholders regarding the minimum number of share certificates, etc. to be purchased in the Tender Offer as stated in the tender offer registration statement. In response the second proposal from the Tender Offeror, on January 17, 2025, the Special Committee requested the Tender Offeror to reconsider the Tender Offer Price as the price in the second proposal still could not be said to give sufficient consideration to the interests of the Target Company's general shareholders and stated that the Special Committee may again request discussions with the Tender Offeror in regard to the minimum number of share certificates, etc. to be purchased in the Tender Offer when the Special Committee confirms the explanations to the Target Company's general shareholders stated in the tender offer registration statement, and the Special Committee submitted additional questions regarding matters such as the minimum number of share certificates, etc. to be purchased and the significance and purpose of the Transactions. Following that, on January 21, 2025, the Target Company received a third proposal from the Tender Offeror (i) to set the Tender Offer Price at 1,050 yen per Target Company Share (which includes a premium of 60.55% on 654 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on January 20, 2025,

the business day preceding the date of the proposal, a premium of 64.32% on 639 yen, the simple average closing price for the one-month period ending on that date, a premium of 54.87% on 678 yen, the simple average closing price for the three-month period ending on that date, and a premium of 43.44% on 732 yen, the simple average closing price for the six-month period ending on that date) and (ii) requesting the Target Company to confirm the response submitted by the Tender Offeror to the additional questions regarding the explanations to the general shareholders concerning the minimum number of share certificates, etc. to be purchased in the Tender Offer. In response the third proposal from the Tender Offeror, on January 22, 2025, the Special Committee requested the Tender Offeror to reconsider the Tender Offer Price as the price in the third proposal still could not be said to give sufficient consideration to the interests of the Target Company's general shareholders and stated that when the Special Committee confirms the response to the additional questions and the explanations to general shareholders regarding the minimum number of share certificates, etc. to be purchased in the Tender Offer, if that response and those explanations are not sufficient, the Special Committee intends to request the Tender Offeror to increase the minimum number of share certificates, etc. to be purchased. Following that, on January 24, 2025, the Target Company received a fourth proposal from the Tender Offeror (i) to set the Tender Offer Price at 1,080 yen per Target Company Share (which includes a premium of 67.70% on 644 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on January 23, 2025, the business day preceding the date of the proposal, a premium of 68.75% on 640 yen, the simple average closing price for the one-month period ending on that date, a premium of 60.24% on 674 yen, the simple average closing price for the three-month period ending on that date, and a premium of 48.35% on 728 yen, the simple average closing price for the six-month period ending on that date) and (ii) to not change the minimum number of share certificates, etc. to be purchased in the Tender Offer and requesting the Target Company to confirm the response newly submitted by the Tender Offeror to the additional questions. In response the fourth proposal from the Tender Offeror, on January 27, 2025, the Special Committee requested the Tender Offeror to further increase the Tender Offer Price to give sufficient consideration to ensuring the interests of the Target Company's general shareholders who have held shares over the medium to long term, although the price in the fourth proposal was at a level that could be found to have a certain degree of merit, and requested the Tender Offeror to consider increasing the minimum number of share certificates, etc. to be purchased as the Special Committee considered that the issue of coercive pressure could not be entirely resolved based on the responses to the additional questions as of that date and the explanations to general shareholders in the tender offer registration statement. Following that, on January 28, 2025, the Target Company received a fifth proposal from the Tender Offeror (i) to set the Tender Offer Price at 1,110 yen per Target Company Share (which includes a premium of 64.92% on 667 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on January 27, 2025, the business day preceding the date of the proposal, a premium of 69.23% on 650 yen, the simple average closing price for the one-month period ending on that date, a premium of 63.45% on 673 yen, the simple average closing price for the three-month period ending on that date, and a premium of 52.14% on 723 yen, the simple average closing price for the six-month period ending on that date) and (ii) to set the minimum number of share certificates, etc. to be purchased in the Tender Offer at 3,119,000 shares (ownership ratio: 46.14%). On February 3, 2025, the Special Committee

responded to the fifth proposal by accepting the Tender Offer Price and other various conditions regarding the Tender Offer.

Based on the above, on February 4, 2025, the Target Company carefully deliberated and examined whether the Transaction could enhance the corporate value of the Target Company and whether the various conditions of the Transaction were reasonable, while fully respecting the content of the report dated February 3, 2025, submitted by the Special Committee (the "**Report**"), and taking into account the content of the stock valuation report dated February 3, 2025, prepared by Plutus (the "**Target Company's Share Valuation Report**"), as well as the legal advice received from Nishimura & Asahi regarding points to consider in making decisions related to the Transaction, including this public tender offer. (For an overview of the Report, please refer to "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" and "(D) Establishment by the Target Company of an independent special committee and procurement by the Target Company of a report from the special committee" below.)

As a result, the Target Company has determined that the Transactions will contribute to enhancing its corporate value based on the following matters.

Technology advances rapidly in the life science and medical treatment fields in which the Target Company operates. Comprehensive, high-speed genetic analysis technologies such as DNA chips and next-generation sequencers have become common, and new drugs and diagnostic tools using those technologies are constantly being developed. In particular, personalized treatment, such as companion diagnostics that predict the effectiveness of drugs and recurrence predictions, are advancing in the cancer treatment field.

However, global society is aging significantly and facing a variety of issues, such as a reduction in labor and issues concerning pensions and social security. In particular, national medical care costs are increasing each year and occupy a large part of Japan's finances, and in order to resolve that, in addition to more effective personalized treatment, the development of new diagnostic tools for preventive treatment to avoid illness is anticipated.

Amid these circumstances, in order to expand the products and services of the Target Company's testing and diagnostics business, increase its sales, and expand its contracted analysis service business over the medium to long term, the Target Company believes it is urgently necessary to implement the latest technologies suited to the information age, engage in further research and development investment, and take measures to expand sales.

The Target Company judged that amid this uncertain business environment, in order to resolve the above issues and maximize synergies for both companies, it is necessary to further strengthen their capital relationship, share a medium- to long-term vision, and work to expand their businesses in unity.

The specific synergies that the Target Company believes will be achievable by becoming a wholly-owned subsidiary of the Tender Offeror through the Transactions are as follows.

(A) Creating new testing and diagnostic services and new businesses (drug development and healthcare field businesses) by combining the unique technologies and materials of both companies

By combining the genetic analysis technologies of the Target Company focused on DNA and RNA with the life science technologies of the Tender Offeror, the Target Company anticipates the development of new, distinctive testing and diagnostics products and services and the creation of new businesses centered around the Target Company in the testing and diagnostics field. Additionally, the Target Company anticipates expansion through the creation of business in new areas, such as the new drug development business using new biomarkers achieved in the process of developing tests and diagnostics and businesses in non-medical life science and healthcare fields based on new measurement technologies.

(B) Entering overseas markets and expanding business collaboration using the overseas networks of the Tender Offeror

By further promoting the use of the Tender Offeror Group's networks with overseas corporations and research institutes and its corporate venture capital capabilities, the Target Company anticipates that it can expand its diagnostic products and services to overseas markets and expand business collaboration.

(C) Investing in research and development to achieve significant expansion of testing and diagnostic products and services, develop new technologies, and promote research and development

The Target Company began selling Lung Cancer Compact Panel™ (Four Gene Panel) in January 2023 and Lung Cancer Compact Panel™ (Seven Gene Panel) in February 2024, and sales are steadily expanding due to the products' high detection sensitivity and other excellent characteristics. Moving forward, in order to further expand the diagnostics business, it is necessary to invest in research and development for new genetic testing services for other types of cancer and diseases other than cancer, and by using the group financing of the Tender Offeror Group, the Target Company anticipates that it will be able to more rapidly achieve a significant expansion of its testing and diagnostic products and services, develop new technologies, and promote research and development.

(D) Using the management resources of the Tender Offeror to secure personnel, develop systems, and utilize intellectual property

The Target Company becoming part of the Tender Offeror Group can be expected to improve the level of recognition and trust among customers, business partners, and other stakeholders. Furthermore, the Target Company anticipates that receiving the Tender Offeror's business administration expertise and administration support services will strengthen the Target Company's management foundations and enable it to secure personnel, develop systems, and utilize intellectual property, thereby enhancing its corporate value and improving its business continuity.

Due to the delisting of the Target Company Shares, the Target Company will be unable to obtain funds through equity financing from the capital market, and it will cease to have the benefits it has previously enjoyed as a listed company, such as increased trust from society. However, the Target Company believes that by becoming part of the Tender Offeror Group, it will be able to obtain funds for investment by receiving group financing from the Tender Offeror Group, and the Target Company's level of recognition, brand power, and trust from society, which are important when seeking to hire personnel, are largely acquired and maintained through the Target Company's business activities, so the delisting of the Target Company Shares will not necessarily damage the brand power, etc. of the Target Company. Therefore, the Target Company has judged that there is only a limited necessity to maintain the listing of its shares. The Tender Offeror does not anticipate any particular dyssynergies from making the Target Company its wholly-owned subsidiary.

Additionally, the Target Company concluded based on the following points that the Tender Offer Price (1,100 yen) and other terms of the Tender Offer are appropriate and that the Tender Offer provides a reasonable opportunity for the Target Company's shareholders to sell the Target Company Shares.

(a) Of the valuation results stated in Target Company's Share Valuation Report set out in "(B) Procurement by the Target Company of a share valuation report from an independent third-party appraiser" in "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, the Tender Offer Price exceeds the upper limit of the valuation results under the market price method and exceeds the median of the valuation results under the discounted cash flow method (the "**DCF Method**").

(b) Using February 3, 2025, the business day preceding the announcement date of the Tender Offer, as a reference date, the Tender Offer Price includes a premium of 60.58% on 685 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on the reference date, a premium of 66.41% on 661 yen, the simple average closing price for the one-month period ending on the reference date, a premium of 64.18% on 670 yen, the simple average closing price for the three-month period ending on the reference date, and a premium of 53.63% on 716 yen, the simple average closing price for the six-month period ending on the reference date. Additionally, when compared to the median values (41.78% on the closing price of the business day preceding the announcement date, 41.60% on the simple average closing price for preceding one-month period, 43.33% on the simple average closing price for the preceding three-month period, and 46.36% on the simple average closing price for the preceding six-month period) of premiums in 135 other tender offers conducted in Japan for the shares of a listed company in which no maximum number of share certificates, etc. to be purchased was set (excluding management buyouts (MBOs) (Note 24) and transactions for the purpose of a parent company taking a subsidiary private) that were announced between June 28, 2019, which is the date that the Ministry of Economy, Trade and Industry released the "Fair M&A Guidelines" (the "**Fair M&A Guidelines**"), and November 30, 2024, the premiums included in the Tender Offer Price on the closing price of the business day preceding the announcement date, the simple average closing price for the preceding one-month period, and the simple average closing

price for the preceding three-month period exceed the medians of premiums in similar transactions, and therefore, the Target Company believes that the Tender Offer Price includes reasonable premiums that are not inferior to those in similar transactions.

Note 24: A management buyout (MBO) is a transaction in which the tender offeror is an officer of the target company or conducts a tender offer under an agreement with the officers of the target company and has shared interests therewith.

(c) The Tender Offer Price was decided after taking the measures to ensure the fairness of the Tender Offer stated in "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below. The other terms of the Transactions, including the minimum number of share certificates, etc. to be purchased, were decided after taking those measures, and the Target Company finds that consideration has been given to the interests of its minority shareholders, including the disclosure of press releases, etc. containing relevant information.

(d) As stated in "(D) Establishment by the Target Company of an independent special committee and procurement by the Target Company of a report from the special committee" in "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, the Report procured from the Special Committee also finds the Tender Offer Price to be appropriate. In addition, that the other terms of the Transactions, including the minimum number of share certificates, etc. to be purchased, are not unreasonable from factors such that, if the Share Consolidation by a resolution at a shareholders meeting is conducted as a method to conduct the Squeeze-Out Procedures, even though the possibility of the implementation of the Share Consolidation is uncertain in theory, (i) there were explanations by the Tender Offeror to the Special Committee about the voting rights exercise ratios at the annual shareholders' meetings of the Target Company and the likelihood that the proposal pertaining to the Squeeze-Out Procedures is to be approved based on an analysis, etc. of transactions considered similar by the Tender Offeror, (ii) such explanation will be also provided to the general shareholders through the tender offer registration statement, (iii) the fact that, at the request of the Special Committee, the minimum number of share certificates, etc. to be purchased has been increased to a level that ensures that the implementation of the Share Consolidation would be certainly approved unless the voting rights exercise ratio at the general meeting of shareholders pertaining to the Share Consolidation is 90% or more, and (iv) the perspective that the interests of the Target Company's general shareholders will be protected by ensuring the successful completion of the Tender Offer that provides a reasonable opportunity for the Target Company's shareholders to sell the Target Company Shares at the Tender Offer Price considered to be reasonable as stated above and by maximizing the likelihood of the successful completion of the Transactions.

(iii) Decisions by Target Company

Based on the above, the Target Company resolved at its board of directors meeting held on February 4, 2025 to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

For details regarding the above board of directors resolution, please refer to "(F) Approval of all disinterested directors (including audit and supervisory committee members) of the Target Company" in "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

(C) Management policy after the Tender Offer

In regard to the management policy for the Target Company after the Transactions, the Tender Offeror intends to promote management that contributes to enhancing the corporate value of the Target Company and the Tender Offeror Group by providing the Target Company with the management resources and networks of the Tender Offeror Group while utilizing the business base that has been established through the united efforts of the Target Company's officers and employees.

As of today, the Tender Offeror has dispatched one outside director (non-executive, non-full-time) who is not an audit and supervisory committee member and one outside director (non-executive, non-full-time) who is an audit and supervisory committee member to the Target Company, but the Tender Offeror intends to determine the specific officer composition and management structure of the Target Company after the Transactions (including matters such as the number of directors) based on discussions with the Target Company. However, the Tender Offeror anticipates that a majority of the Target Company's directors will be dispatched from the Tender Offeror Group. The Tender Offeror also anticipates that it will continue transactions with the Target Company's existing customers, suppliers, and other business partners after the Transactions.

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

Although the Tender Offer does not constitute a tender offer by a controlling shareholder, as of today, the Tender Offeror (i) holds 937,474 Target Company Shares (ownership ratio: 13.87%) and (ii) has dispatched one outside director (non-executive, non-full-time) who is not an audit and supervisory committee member and one outside director (non-executive, non-full-time) who is an audit and supervisory committee member to the Target Company. Taking those matters into account, the Tender Offeror and the Target Company have taken the following measures in order to ensure the fairness of the Tender Offer Price and eliminate arbitrariness and the risk of conflicts of interest from, and ensure the fairness of, the decision-making process leading to the decision to conduct the Tender Offer.

Statements below regarding measures implemented by the Target Company are based on the Target Company's Press Release and explanations received from the Target Company.

(A) Procurement by the Tender Offeror of a share valuation report from an independent third-party appraiser

In order to ensure the fairness of the Tender Offer Price, when deciding the Tender Offer Price, the Tender Offeror requested KPMG, its third-party appraiser and financial advisor independent from the Tender Offeror and the Target Company, to calculate the value of the Target Company Shares and obtained a share valuation report dated February 3, 2025 (the "**Tender Offeror's Share Valuation Report**"). KPMG is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Transactions, including the Tender Offer. For a summary of the Tender Offeror's Share Valuation Report, please refer to "(A) Basis of valuation" and "(B) Background of valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below.

(B) Procurement by the Target Company of a share valuation report from an independent third-party appraiser

According to the Target Company's Press Release, the Target Company requested Plutus, its third-party appraiser independent from both the Tender Offeror and the Target Company, to calculate the value of the Target Company Shares, and on February 3, 2025, the Target Company obtained the Target Company's Share Valuation Report therefrom.

Plutus is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Transactions, including the Tender Offer. Also, the Special Committee approved, at its first meeting, Plutus to act as the Target Company's third party-appraiser after determining there is no issue concerning the independence and expertise of Plutus and has confirmed that it can receive expert advice from Plutus when deeming it necessary. Furthermore, the Target Company has not obtained a written opinion regarding the fairness of the Tender Offer Price (a fairness opinion) from Plutus because it believes that the interests of the minority shareholders of the Target Company have been given adequate consideration in light of other measures such as measures to ensure fairness of the Tender Offer Price and measures to avoid conflicts of interest that have been implemented upon entering into the Transactions (for details of such measures, please refer to "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest"). The fees pertaining to the Transactions to be paid to Plutus do not include any contingency fees to be paid upon the fulfillment of conditions such as the successful completion of the Transactions.

With the aim to gather and review information necessary for the calculation of the value of the Target Company Shares, Plutus obtained, and received explanations from the Target Company's management on, information such as the current status and future prospects of the Target Company's business, etc. and calculated the value of the Target Company Shares based on such information. On the assumption that the Target Company is a going concern, and that multifaceted valuation of the Target Company Shares is appropriate, Plutus, after considering calculation methods to be applied to the Tender Offer, applied in calculating the value of the Target Company Shares: (i) the market price method given that the Target Company Shares are listed on the Standard Market of the TSE and (ii) the DCF Method to reflect the future business activities of the Target Company in calculating the value of the Target Company Share.

The share value range per Target Company Share as calculated by Plutus by applying each of the above methods is as follows.

Average market price method: From 661 yen to 716 yen

DCF Method: From 779 yen to 1,275 yen

Under the average market price method, the reference date of calculation was set as February 3, 2025, the share value range per Target Company Share was calculated to be 661 yen to 716 yen, based on the closing price of 685 yen of the Target Company Shares on the reference date on the Standard Market of the TSE, the simple average closing price of 661 yen for the preceding one-month period, the simple average closing price of 670 yen for the preceding three-month period, and the simple average closing price of 716 yen for the preceding six-month period.

Under the DCF Method, the share value range per Target Company Share was calculated to be 779 yen to 1,275 yen, based on the analysis of the Target Company's corporate value and share value that were calculated by taking into account various elements such as the business plan prepared by the Target Company, its latest business performance, and information disclosed by it to the public, and by discounting by a certain rate to the present value the free cash flow projected to be generated by the Target Company.

The Business Plan includes a fiscal year in which a significant increase in operating income and a significant increase and decrease in the free cash flow are expected. Specifically, in terms of the operating profit, by further increasing the sales volume of the Lung Cancer Compact Panel™ in the diagnostics business and expanding the testing and diagnostic products and services, the Target Company expects a significant year-to-year increase in operating income in the fiscal year ending March 2025 (operating profit of 76 million yen); in the fiscal year ending March 2026 (operating profit of 193 million yen, an increase by 153.2%); in the fiscal year ending March 2027 (operating profit of 379 million yen, an increase by 96.5%); and in the fiscal year ending March 2029, year-to year compared to the year ending March 2028 (operating profit of 688 million yen, 59.8%). In addition, in terms of the free cash flow, the Target Company expects significant year-to-year increases and decreases in its free cash flow due to capital investment that it plans to make in the fiscal year ending March 2026 and in the fiscal year ending March 2027 as follows: a significant increase in the fiscal year ending March 2025 (29 million yen, an increase by 118.3%); a significant decrease in the fiscal year ending March 2026 (decrease of 571 million yen, a decrease by 2097.9%); a significant increase in the fiscal year ending March 2027 (105 million yen, an increase by 118.4%); and a significant increase in the fiscal year ending March 2028 (460 million yen, an increase by 338.9%). Also, because the synergistic effects expected to be achieved by conducting the Transactions are difficult to concretely estimate at present, except for the effects of reducing costs for maintaining listing, Plutus did not take these into account in the business prospects used in the DCF Method.

In calculating the share value of the Target Company Shares, Plutus applied information such as the information provided by the Target Company and publicly available information "as is" in principle and assumed that all such materials and information, etc. are accurate and complete, and it did not independently verify their

accuracy and completeness. Further, Plutus has not independently conducted its own evaluation or assessment of the assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Target Company, nor has it requested any third-party institution to appraise or assess them. In addition, with respect to the information regarding the Target Company's financial forecasts, Plutus has assumed that such forecasts have been reasonably prepared based on the best forecasts and judgment currently available to the Target Company's officers and employees (who are independent from the Tender Offeror). However, Plutus conducted a number of interviews of the Target Company's officers and employees with respect to the Target Company's business plan, the materials of which Plutus used as a basis of valuation and analyzed and considered the contents thereof. Also, as set out in "(D) Establishment by the Target Company of an independent special committee and procurement by the Target Company of a report from the special committee" below, for the Target Company's business plan, the reasonableness of matters such as the contents, material conditions precedents, and background to the preparation of the same was confirmed by the Special Committee.

(C) Procurement by the Target Company of advice from an independent law firm

According to the Target Company's Press Release, in order to ensure the fairness and appropriateness of the decisions made by the Target Company's board of directors, the Target Company appointed Nishimura & Asahi as its legal advisor independent from both the Tender Offeror and the Target Company, and it has received legal advice on the decision-making process and methods of the Target Company's board of directors regarding the Tender Offer and on other matters to be aware of when making decisions regarding the Tender Offer.

Nishimura & Asahi is not a related part of the Tender Offeror or the Target Company and does not have any material interest in the Transactions, including the Tender Offer. The fees paid to Nishimura & Asahi do not include any contingency fees to be paid upon the fulfillment of conditions such as the successful completion of the Transactions.

(D) Establishment by the Target Company of an independent special committee and procurement by the Target Company of a report from the special committee

According to the Target Company's Press Release, upon its board of directors considering whether or not to proceed with the Transactions, in order to exclude any arbitrariness from the Target Company's decision-making process regarding the Transactions and ensure the fairness, transparency, and objectiveness of that process, on November 20, 2024, by a resolution of its board of directors, the Target Company established the Special Committee, which is independent from the Tender Offeror and the Target Company as well as the outcome of the Transactions and is composed of three members, Mr. Masakazu Kuji (an outside director of the Target Company), Ms. Shoko Kawamoto (an outside director of the Target Company), and Mr. Kotaro Okada (an attorney at Tokyo International Law Office). (The Target Company's board of directors has resolved to bear a reasonable compensation by anticipating paying either on an hourly basis or in a fixed amount of fees to the members of the Special Committee, and no contingency fees are to be paid. Additionally, the Target

Company selected these three members upon the establishment of the Special Committee and has not since changed the members of the Special Committee.) Considering the fact that, while the Target Company has four outside directors (including audit and supervisory committee members), namely, Mr. Masakazu Kuji, Ms. Shoko Kawamoto, Mr. Kazuhiro Hashizume, and Mr. Tomoyuki Okamura, the latter two, namely Mr. Kazuhiro Hashizume and Mr. Tomoyuki Okamura, also serve as officers and employees of the Tender Offeror, and the Target Company believed it improper to appoint these two as members of the Special Committee and decided to appoint the other two, namely Mr. Masakazu Kuji and Ms. Shoko Kawamoto, who are independent from the parties to the Tender Offer, as members of the Special Committee in order to prevent perceived conflicts of interest between the Tender Offeror and the Target Company's minority shareholders and to ensure the fairness of the Transactions. At the same time, from the viewpoint of enhancing deliberations, it would be desirable for the Special Committee to have three or more members, so the Target Company considered appointing an external expert as a member in addition to Mr. Masakazu Kuji and Ms. Shoko Kawamoto. Following that consideration, the Target Company appointed Mr. Kotaro Okada, who is an external expert, has long years of legal experience mainly in corporate law including M&As, and through that experience has abundant knowledge on transactions making a listed company a wholly-owned subsidiary, as a member of the Special Committee.

When the Target Company established the Special Committee, it requested the Special Committee to consider (i) matters relating to the validity and reasonableness of the purpose of the Transactions (including whether or not the Transactions will contribute to enhancing the corporate value of the Target Company), (ii) matters relating to the fairness and appropriateness of the terms of the Transactions, (iii) matters relating to the fairness of the procedures for the Transactions, (iv) whether or not conducting the Transactions would be disadvantageous to the Target Company's minority shareholders, and (v) whether or not the Target Company's board of directors should express its opinion in support of the Tender Offer and recommend that its shareholders tender their shares in the Tender Offer (collectively, the "**Consulted Matters**"). Furthermore, the Target Company's board of directors resolved that the board shall make decisions regarding the Transactions by respecting the decisions made by the Special Committee to the maximum extent and shall not support the Transactions if the Special Committee determines that the terms of the Transactions are not appropriate.

Additionally, the Target Company's board of directors granted the Special Committee the authority, (i) in order to ensure appropriate judgments, to nominate or approve (including after-the-fact approval) financial advisors, third-party appraisers, legal advisors, or other advisors (the "**Advisors**") of the Target Company, (ii) in order to ensure appropriate judgments, to appoint Advisors for the Special Committee, (iii) in order to ensure appropriate judgments, to request the directors and employees of the Target Company and other persons that the Special Committee deems necessary to attend meetings of the Special Committee and to ask them to provide explanations on necessary information, and (iv) when deeming it necessary, to negotiate on the terms, etc. of the Transactions. In response, given that there was no issue in regard to the independence or expertise of Plutus, the third-party appraiser and financial advisor of the Target Company, and Nishimura & Asahi, the legal advisor of the Target Company, the Special Committee approved their appointments as such and confirmed that the

Special Committee itself would also be able to receive professional advice therefrom as necessary.

The Special Committee held a total of 10 meetings from November 25, 2024 to February 3, 2025 and carefully discussed and considered the Consulted Matters. Specifically, the Special Committee (i) questioned the Tender Offeror regarding the purpose and background of the Transactions, the terms of the Transactions, the management policy for the Target Company after the Transactions, and other such matters, (ii) questioned the Target Company regarding the details and preparation method of the Target Company's business plan based on which Plutus performed the valuation of the Target Company Shares, the details of proposals from the Tender Offeror, the management policy for the Target Company after the Transactions, and other such matters, and (iii) questioned Plutus regarding the valuation of the Target Company Shares. Additionally, the Special Committee received legal advice from Nishimura & Asahi, the Target Company's legal advisor, regarding the details of measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest and other general matters relating to the Transactions.

Furthermore, the Special Committee deliberated on and considered negotiation policies to obtain a higher price from the Tender Offeror based on advice from a financial perspective from Plutus, and each time that the Target Company received a proposal regarding the Tender Offer Price from the Tender Offeror, the Special Committee received a report in regard thereto in a timely manner and deliberated on and considered policies for negotiations with the Tender Offeror based on advice from a financial perspective from Plutus. In these and other ways, the Special Committee was substantially involved in discussions and negotiations with the Tender Offeror regarding the Tender Offer Price.

As a result of carefully discussing and considering the Consulted Matters as set out above, on February 3, 2025, with the unanimous consent of its members, the Special Committee submitted the Report regarding the Consulted Matters to the Target Company's board of directors as summarized below.

(a) Matters relating to the validity and reasonableness of the purpose of the Transactions (including whether or not the Transactions will contribute to enhancing the corporate value of the Target Company)

(i) Purpose, etc. of the Transactions

In light of the details of the Target Company's businesses stated in "(A) Background, purpose, and decision making process with respect to the Tender Offeror deciding to conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" above, the Special Committee does not find any unreasonable matters in regard to the Target Company's awareness of the management issue that, amid the business environment in which technology advances rapidly in the life science and medical treatment fields and the development of new diagnostic tools for preventive treatment is anticipated in order to resolve various social issues, it is urgently necessary to implement the latest technologies suited to the information age, engage in further research and development investment, and take measures to expand sales in order to expand the products and services of

the Target Company's testing and diagnostics business, increase its sales, and expand its contracted analysis service business over the medium to long term as stated in "(B) Process of and reasons for the decision by the Target Company to support the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" above.

As stated in in "(A) Background, purpose, and decision making process with respect to the Tender Offeror deciding to conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" above, the synergies anticipated by the Tender Offeror are (i) expanding into new areas in the Tender Offeror's life and healthcare solutions business, (ii) expanding and accelerating the Target Company's diagnostics business, and (iii) strengthening the Target Company's management foundations. Additionally, in the Letter of Intent and in responses to written and oral questions from the Special Committee, the Tender Offeror has stated that the specific measures to be taken to enhance the corporate value of the Target Company in relation to the above synergies are (i) ensuring competitiveness in the increasingly severe competition to secure personnel in the healthcare field using the Tender Offeror's funds, human resources, and networks with academia and startup companies, strengthening operations when expanding business, and ensuring flexibility and a wide range of actions in sales and marketing activities, (ii) providing the Target Company with the Tender Offeror's administration support services, such as for legal affairs, intellectual property, business administration, group finance, human resources, and logistics, and using the corporate functions and foundations of the Tender Offeror, (iii) expanding pipelines through the development of new themes, (iv) expanding the sale of Lung Cancer Compact Panel™ overseas by using the Tender Offeror's locations in Europe, America, and Asia as well as the relationships that those locations have with stakeholders, and (v) engaging in technology sourcing from outside parties using the Tender Offeror's corporate venture capital capabilities. The Special Committee does not find any unreasonable matters in regard to the explanations regarding the above synergies and measures to enhance corporate value and believes that those measures can be reasonably expected to achieve those synergies.

Additionally, as stated in "(B) Process of and reasons for the decision by the Target Company to support the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" above, the Target Company believes that by becoming a wholly-owned subsidiary of the Tender Offeror through the Transactions, it will be possible to (i) create new testing and diagnostic services and new businesses (drug development and healthcare field businesses) by combining the unique technologies and materials of both companies, (ii) enter overseas markets and expand business collaboration by using the overseas networks of the Tender Offeror, (iii) invest in research and development to achieve significant expansion of testing and diagnostic products and services, develop new technologies, and promote research and development, and (iv) use the management resources of the Tender Offeror to secure personnel, develop systems, and utilize intellectual property, which

the Special Committee finds to be in conformity with and not contrary to the above synergies and measures to enhance corporate value stated by the Tender Offeror. The Special Committee does not find any unreasonable matters in regard to the above and finds that synergies can be reasonably expected to be achieved. Although the Tender Offeror highly values the compact panel business that is the testing and diagnostic business of the Target Company, it can be considered that there exist general shareholders who hold Target Company Shares over the medium to long term with expectations for development of businesses of the Target Company other than compact panels, and in light of this the Special Committee conducted interviews and submitted multiple written questions in order to confirm the policy of the Tender Offeror in regard to the creation of new businesses, which is synergy anticipated by the Target Company as set out above. To this point, the Tender Offeror provided a response including ideas for the medium- to long-term development of new domains such as value creation through utilization of the technology of the Target Company in certain areas of the regenerative medicine domain, the market for which is expected to expand, including in areas such as biomarker research and genetic analysis and quality assessment and validity evaluation of cultured cells, and since the Special Committee does not find any unreasonable points in the content of such anticipations, the Special Committee finds that the Transactions are reasonably expected to contribute to the realization of synergies.

In regard to management policies, in the Letter of Intent and in responses to written and oral questions from the Special Committee, the Tender Offeror has explained that in regard to management structure, (i) it anticipates to request the current internal directors of the Target Company to continue being involved in its management while making a majority of the Target Company's directors persons dispatched from the Tender Offeror Group, (ii) it will continue the employment of the Target Company's employees under the existing terms and conditions, except in cases where there are reasonable and unavoidable circumstances for not doing so, (iii) it is considering the Target Company's participation in the Tender Offeror's group finance system, (iv) it will maintain the same discipline in regard to the management of the Target Company as that in regard to the Tender Offeror Group, (v) it anticipates to continue transactions with the current customers and business partners such as vendors, etc. of the Target Company even after the completion of the Transactions, and (vi) it does not anticipate any other significant changes to management policies at present, and the Special Committee does not find any unreasonable matters in regard to those explanations that would damage the corporate value of the Target Company.

In regard to the effects of delisting, the Tender Offeror anticipates an increase in the Target Company's creditworthiness and financial stability through its participation in the Tender Offeror Group and believes that it can maintain the retention of the Target Company's employees through measures such as secondment to the Tender Offeror, can provide services and products with even higher added value to existing customers by achieving synergies through

the use of the Tender Offeror's resources after the Transactions, and can expect to safely build business relationships by increasing creditworthiness and financial stability, and although there will be limitations on methods for obtaining funds through direct financing such as capital increases and bonds, it expects to provide group financing to the Target Company. Taking into account those matters as well as the Target Company being operated in accordance with group governance, the Tender Offeror does not anticipate any particular demerits or concerns in regard to creditworthiness, level of recognition, human resources, business relationships, financing, governance, or other matters.

Additionally, as stated in "(B) Process of and reasons for the decision by the Target Company to support the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" above, the Target Company will be unable to obtain funds through equity financing, and it will cease to have the benefits it has previously enjoyed as a listed company, such as increased trust from society. However, the Target Company anticipates obtaining funds by receiving group financing, and the Target Company's level of recognition, brand power, and trust from society, which are important when seeking to hire personnel, are largely acquired and maintained through the Target Company's business activities, so delisting will not necessarily damage the brand power, etc. of the Target Company. Therefore, the Target Company has judged that there is only a limited necessity to maintain the listing of its shares.

In regard to the above consideration by the Tender Offeror and the Target Company, the Special Committee believes that the effect of the limitations on methods for obtaining funds through direct financing will be limited by receiving group financing from the Tender Offeror, and as the Target Company has acquired and maintained trust from society through its business activities and not due to being a listed company, it does not find that delisting would necessarily result in the loss of that trust, and instead, an increase in the level of trust and recognition can be expected by participating in the Tender Offeror Group. Based on those and other factors, the Special Committee does not find any particularly unreasonable matters in regard to the determination that the effects of delisting will be limited.

As the Tender Offeror and the Target Company are already engaged in a business alliance under capital and business alliance agreements, it can generally be considered possible for both companies to maintain their listing and achieve mutual business growth by continuing that capital and business alliance or conducting alternative transactions such as further capital increases through third-party allotment in order to achieve the enhanced corporate value and shareholder value of the Target Company. Therefore, the Special Committee orally questioned the Tender Offeror and submitted written questions to it on multiple occasions regarding whether or not there is a necessity for making the Target Company a wholly-owned subsidiary instead of conducting an alternative transaction and regarding the details of that necessity.

As a result, the Tender Offeror responded (i) that in order to achieve the business plan submitted by the Target Company to the Tender Offeror, it is necessary to allocate resources and develop capabilities to expand the Target Company's existing systems and functions, and conducting the Transactions makes it possible to contribute to doing so, (ii) that under the current capital and business alliance agreements, the Tender Offeror is providing support for business administration systems, for measures to enhance the operation of those systems and to expand sales, and for the strengthening of other systems, but in order to achieve those goals, it is necessary to further allocate personnel and to have experienced staff work to strengthen those areas hands-on, and (iii) that under the current capital relationship, the Tender Offeror is restricted to providing limited support to the extent that is not considered a provision of benefits, but by the Target Company becoming a group company of the Tender Offeror, it will be able to provide support more actively. Additionally, particularly in regard to the reason for intending to make the Target Company a wholly-owned subsidiary, the Tender Offeror responded that by eliminating the burden of labor and costs for maintaining the Target Company's listing, the Target Company will be able to focus and concentrate solely on its main businesses, and that the Tender Offeror would not able to dispatch sufficient personnel or offer sufficient support to the Target Company if shareholders other than the Tender Offeror remained and the profits created by the Target Company were returned to parties other than the Tender Offeror.

In regard to these responses by the Tender Offeror, taking into account the expectation of achieving synergies through the above measures to enhance corporate value if the Transactions for making the Target Company a wholly-owned subsidiary are conducted and that the demerits of delisting can be considered to be limited, the Special Committee does not find it unreasonable to determine to aim to address the management issues of the Target Company and enhance its corporate value by conducting the Transactions instead of an alternative transaction in which support from the Tender Offeror would be restricted.

Based on the above, the Special Committee finds that the Transactions will contribute to enhancing the corporate value of the Target Company.

(ii) Summary

As such, the Transactions are considered to enhance the Target Company's corporate value, and the purpose of the Transactions is considered valid and reasonable.

(b) Matters relating to the fairness and appropriateness of the terms of the Transactions

(i) Terms, etc. of the Transactions

The terms of the Transactions such as the Tender Offer Price and the minimum number of share certificates, etc. to be purchased in the Tender Offer were finally determined after careful negotiations of those terms

between the Special Committee and the Tender Offeror and based on advice received from Plutus and Nishimura & Asahi, thus the Special Committee was substantially involved in the process of discussions and negotiations regarding the terms of the Transactions. Also, as a result of those negotiations regarding the terms, the Target Company was able to achieve the Tender Offer Price by increasing the same by 200 yen in total, from 900 yen per Target Company Share (i.e., the price proposed by the Tender Offeror in the first proposal) to 1,100 yen, and the minimum number of share certificates, etc. to be purchased in the Tender Offer by increasing the same by 207,400 shares (ownership ratio: 3.07%), from 2,911,600 shares (ownership ratio: 43.07% (as the number proposed by the Tender Offeror in the first proposal) to 3,119,000 shares (ownership ratio: 46.14%).

Based on the above, the process of discussions and negotiations regarding the terms of the Transactions was considered fair as it was conducted between independent parties thereto and was considered that the circumstances in which reasonable efforts were made with an aim to conduct the Transactions on terms as favorable as possible for the minority shareholders, while enhancing the corporate value, were ensured.

As set out in "(B) Procurement by the Target Company of a share valuation report from an independent third-party appraiser" above, the Target Company requested Plutus, its third-party appraiser and financial advisor independent from the Tender Offeror and the Target Company, to calculate the value of the Target Company Shares and obtained the Target Company's Share Valuation Report on February 3, 2025. According to the Target Company's Share Valuation Report, while the share value range by the market price method are calculated to be from 661 yen to 716 yen and the DCF Method from 779 yen to 1,275 yen, the Tender Offer Price of 1,100 yen per Target Company Share exceeds the upper limit of the valuation results under the market price method and is above the median value of the valuation results under the DCF Method. Further, based on the Target Company's Share Valuation Report obtained from Plutus as well as the results of the explanations received and Q&A sessions held with respect to the contents of the Target Company's business plan used for the valuation, there were no particularly unreasonable circumstances in the methods applied by Plutus upon calculating the value of the Target Company Share, the processes of valuation, and the valuation results of the Target Company Share.

In addition to the above, the Special Committee considered the contents of the Target Company's Share Valuation Report, received explanations from Plutus on the contents thereof, and held Q&A sessions. As a result, there were no particularly unreasonable circumstances in the methods applied by Plutus upon calculating the value of the Target Company Shares, the processes of valuation, and the valuation results of the Target Company Shares.

Further, the Tender Offer Price of 1,100 yen per Target Company Share is considered to be a price representing a reasonable premium, including on the business day immediately preceding the announcement date of the Tender Offer (i.e., February 3, 2025), a premium of 60.58% (with such product

rounded to the nearest two decimal places; the same applies below in regard to the calculation of premiums on share prices) on 685 yen, the closing price of the Target Company Shares on the Standard Market of the TSE, a premium of 66.41% on 661 yen, the simple average closing price for the one-month period (from January 6, 2025 to February 3, 2025), a premium of 64.18% on 670 yen, the simple average closing price for the three-month period (from November 5, 2024 to February 3, 2025), and a premium of 53.63% on 716 yen, the simple average closing price for the six-month period (from August 5, 2024 to February 3, 2025).

In the Transactions, the Squeeze-Out Procedures are planned to be conducted after the completion of the Tender Offer, and the minimum number of share certificates, etc. to be purchased at 3,119,000 shares (ownership ratio: 46.14%) is set, and it is designed so that the ownership ratio of the Tender Offeror in the case of successful completion of the Tender Offer at that minimum will be 60.00%. Therefore, if upon successful completion of the Tender Offer, a share consolidation takes effect by a resolution of the Extraordinary Shareholders' Meeting as a method to conduct the Squeeze-Out Procedures, whether or not a proposal for such share consolidation will be approved at the Extraordinary Shareholders' Meeting is theoretically uncertain.

To this end, because it was stated in the Letter of Intent, in anticipation, that the minimum number of share certificates, etc. to be purchased will be set at 2,913,300 shares (ownership ratio: 43.1%), the Special Committee commenced considerations from its first meeting, and also in the interviews with the Tender Offeror, asked questions such as the Tender Offeror's intention whether or not to reconsider the minimum number of share certificates, etc. to be purchased, the reasons for the Tender Offeror to believe such minimum number, which is likely to make the number of voting rights held by the Tender Offeror after the completion of the Tender Offer below two thirds of the number of voting rights of all shareholders, is necessary and appropriate for the Tender Offeror to achieve its purpose of the Tender Offer, and the Tender Offeror's view on the issue of coercive pressure, and together asked the Tender Offeror to provide a better explanation to general shareholders in the tender offer registration statement. In addition, while the Tender Offeror made an initial proposal with terms of the Transactions to set the minimum number of share certificates, etc. to be purchased at 2,911,600 shares (ownership ratio: 43.07%) in its first proposal, the Special Committee confirmed whether or not the Tender Offeror anticipates to make an explanation to general shareholders, and in its response to that proposal dated January 27, 2025, the Special Committee requested the Tender Offeror to raise the minimum number of share certificates, etc. to be purchased given the situation of the explanation being provided by the Tender Offeror as of that date.

In response to this, after increasing the minimum number of share certificates, etc. to be purchased at 3,119,000 shares (ownership ratio: 46.14%), the Tender Offeror explained that (i) with an explanation of similar transactions selected by the Tender Offeror, the voting rights exercise ratios at the annual shareholders' meetings of the Target Company for the past five business years were at a comparatively low level of 42% to 56%, and the voting rights

exercise ratios at shareholders' meetings relating to share consolidation anticipated as the Squeeze-Out Procedures in the Tender Offer tend to be lower than the exercise ratios for proposals at other, regular shareholders' meetings, and further (ii) based on the shareholders composition of the Target Company, the number ensures the successful completion of the Tender Offer and maximizes the likelihood of the successful completion of the Transactions, and (iii) the minimum number of share certificates, etc. to be purchased is set so that, even if the Tender Offeror does not come to hold two thirds or more of the number of voting rights of all of the Target Company's shareholders, the aforementioned proposal for the share consolidation may realistically be approved, and a level at which the number of voting rights in the Target Company that the Tender Offeror actually exercises will be equal to or greater than two thirds of the total number of voting rights of the Target Company, unless the voting rights exercise ratios at the shareholders' meetings of the Target Company for the share consolidation will be 90% or greater of the total number of voting rights of the Target Company after the completion of the Tender Offer. Further, the Tender Offeror stated that, if a proposal for share consolidation is submitted to a shareholders' meeting of the Target Company, it is expected that the directors of the Target Company who hold 3,500 shares will exercise their voting rights in favor of that proposal.

Furthermore, even if the proposal for the share consolidation is not approved at the shareholders' meeting, because the Tender Offeror plans to ultimately acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and treasury shares held by the Target Company) and take the Target Company Shares private, the Tender Offeror plans, after taking into consideration factors such as the status of shares tendered in the Tender Offer, the ownership status of the Target Company Shares by the shareholders of the Target Company, those shareholders' attributes, and the voting rights exercise ratios at the shareholders' meeting, to further acquire the Target Company Shares, from time to time and as promptly as possible by taking into account the Tender Offeror's ownership ratio, holding status of the Target Company Shares by the Target Company's shareholders and their attributes, and the market share price, and to take them private promptly after those further acquiring of the Target Company Shares, through market transactions or off-market transactions other than a tender offer (to the extent permitted by laws) at a price determined in consideration of the market price at the time of that further acquisition (however, that price shall be a reasonable price that, compared to the Tender Offer Price, would not be economically disadvantageous to the shareholders at the time of the further acquisition (i.e., the same price per share as the Tender Offer Price unless an event requiring adjustment, such as a share consolidation or share split, is carried out by the Target Company)) until it reaches a level at which the proposal for the share consolidation and other Squeeze-Out Procedures can realistically be approved by a shareholders' meeting of the Target Company.

As set out above, the Tender Offer is considered to provide to the minority shareholders of the Target Company an opportunity to sell at the Tender Offer

Price, which includes a reasonable premium based on an appropriate valuation of the corporate value of the Target Company; the explanations by the Tender Offeror as set out above are not found to be unreasonable from the perspective of protecting the interests of minority shareholders who tender their shares in the Tender Offer given that it ensures the successful completion of the Tender Offer and maximizes the likelihood of the successful completion of the Transactions; and the setting of a minimum number of share certificates, etc. to be purchased in the Tender Offer is not necessarily unreasonable as a method of implementing the Transactions given that such minimum has been set at a level greater than the so-called "Majority of Minority."

Further, the Squeeze-Out Procedures are scheduled to be conducted by means of a Demand for Share Cash-Out under Article 179 of the Companies Act or share consolidation under Article 180 of the Companies Act, and under such procedures any shareholders opposed to the Transactions are ensured a right to request purchase of shares or to petition for a determination of the price of shares. In addition, the Tender Offeror plans to disclose that (i) if the Tender Offer is successful it will conduct the Squeeze-Out Procedures by means of a Share Cash-Out or a share consolidation, and that (ii) the money to be delivered to shareholders of the Target Company as consideration in the event of a Share Cash-Out or a share consolidation will be calculated so that it is equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares owned by such shareholders (other than the Tender Offeror and the Target Company). In this way, it can be said that consideration has been given to ensure that the Target Company's shareholders have the opportunity to make an appropriate decision on whether or not to tender their shares in the Tender Offer, thereby eliminating the possibility of coercive pressure on them, and therefore it is found that a certain level of reasonableness is ensured.

In comprehensive view of the above factors, it can be said that the transaction terms and conditions pertaining to the Squeeze-Out Procedures are fair and appropriate.

The Tender Offeror has also stated that it plans to procure the funds for the Transactions from cash-on-hand and does not anticipate procuring funds from financial institutions, etc., so there is not likely to be a material adverse impact on the financial condition of the Target Company.

In addition to the above terms and conditions, there is not found to be any other circumstances that would be disadvantageous to the minority shareholders of the Target Company when compared with other similar cases with regard to other transaction terms and conditions pertaining to the Transactions.

(ii) Summary

As set out above, the corporate value of the Target Company has been valued appropriately, and the transaction terms and conditions pertaining to the Transactions, including the Tender Offer Price and the amount of

consideration to be delivered in the Squeeze-Out Procedures to shareholders of the Target Company who do not tender their shares in the Tender Offer, can be evaluated as having been set appropriately, and therefore the transaction terms and conditions pertaining to the Transactions (including the Tender Offer Price) are considered to be fair and appropriate.

(c) Matters relating to the fairness of the procedures for the Transactions

(i) Procedures concerning the Transactions

With regard to the establishment of an independent special committee, it is found that a special committee with independence has been established and is effectively functioning giving consideration to the Fair M&A Guidelines for the following reasons: (i) with respect to the timing of the establishment, the Special Committee passed a resolution to establish the Special Committee on November 20, 2024, and subsequently, the first meeting of the Special Committee was held on November 25, 2024, which means that the Special Committee started to be involved in a phase of the Transactions before the initial price proposal from the Tender Offeror on December 26, 2024, and thus the Special Committee's involvement in the Transactions has been ensured from the early stages of the process of forming the terms of the Transactions; (ii) with respect to the composition of the committee, given that, in addition to the two members, namely Mr. Masakazu Kuji and Ms. Shoko Kawamoto, who are both outside directors (and audit and supervisory committee members) of the Target Company and are also independent officers as required by the TSE, Mr. Kotaro Okada, who is an external expert and has expertise in M&A as an attorney, was appointed as a member after confirming his independence from the Target Company and the Tender Offeror, it was confirmed that each member of the Special Committee has independence and was appointed with due consideration of their expertise and attributes; (iii) a system has been ensured whereby the Target Company's independent outside directors would substantially be involved, with independence, in each process of the decisions made by the Special Committee regarding its establishment, authority and responsibilities, the selection of its members, and the determination of their remuneration; (iv) the Special Committee has used the Advisors appointed by the Target Company's board of directors based on its determination that such Advisors have independence and sufficient expertise and can be relied upon to provide expert advice; (v) it is found that the Special Committee has been substantially involved in the process of negotiation with the Tender Offeror regarding the transaction terms; (vi) the Special Committee has established a system that enables it to obtain important information, including non-public information, and to consider and determine the benefits and disadvantages of the Transactions and the appropriateness of the terms thereof based on such information; (vii) the Special Committee did not adopt contingency fees; (viii) given that the Target Company has resolved that its board of directors would make decisions regarding the Transactions respecting to the maximum extent the matters determined by the Special Committee and that it would not support the Transactions unless the Special Committee determined that the terms of the Transactions were appropriate, a system has been ensured in the

Transactions that enables the board of directors of the Target Company to make decisions respecting the opinion of the Special Committee; and (ix) given that Mr. Kazuhiro Hashizume and Mr. Tomoyuki Okamura were not involved in the series of consultations and negotiation process for the Transactions from the position of directors of the Target Company, nor did they participate in the board of directors' resolution to express an opinion in support of the Tender Offer and recommend that its shareholders tender their shares in the Tender Offer, the Target Company has established a system that allows it to conduct consideration, negotiation, etc. from a position independent from the Tender Offeror.

In addition, the Target Company has obtained the necessary legal advice from its legal advisor, Nishimura & Asahi, and has obtained advice on price negotiations, etc. and the Target Company's Share Valuation Report from Plutus, which is a third-party appraiser and financial advisor.

In order to ensure the opportunity for other acquirers to make acquisition proposals (market check), the Tender Offer Period for the Tender Offer has been set to be 41 business days, the Tender Offeror will ensure an appropriate opportunity for the shareholders of the Target Company to make a decision about the tendering of shares in the Tender Offer, and it will also ensure an opportunity for parties other than the Tender Offeror ("**Competing Acquisition Offerors**") to make counter acquisitions, etc. for the Target Company Shares, thereby guaranteeing the appropriateness of the Tender Offer Price, and the Tender Offeror and the Target Company have not entered into any agreement that includes a transaction protection clause that prohibits the Target Company from having contact with any Competing Acquisition Offerors, or any other agreement that restricts Competing Acquisition Offerors from engaging in actions such as having contact with the Target Company.

Furthermore, setting the so-called "Majority of Minority" condition will put greater emphasis on ensuring that the general shareholders have the opportunity to make their own decisions by directly confirming that the majority of general shareholders are satisfied with the transaction terms, and it will also strengthen the Target Company's negotiating power in the process of forming the transaction terms, and this will, in turn, contribute to the Transactions being executed on terms that are advantageous to the general shareholders.

It is also found that the information regarding the Special Committee and the Transactions is fully disclosed as required by the Fair M&A Guidelines.

It is considered that coercive pressure on the general shareholders of the Target Company is limited in light of the following: that in the Transactions, even though the possibility of the implementation of the Share Consolidation is uncertain in theory in connection with the Extraordinary Shareholders' Meeting for the Squeeze-Out Procedures in the event that the Tender Offer is successfully completed by purchasing the minimum number of share certificates, etc. to be purchased, the Tender Offeror's explanation, including the voting rights exercise ratios at the general meetings of shareholders in the past examples selected by the Tender Offeror, has been provided and such explanation will be also provided to the general shareholders through the

tender offer registration statement; the fact that, at the request of the Special Committee, the minimum number of share certificates, etc. to be purchased has been increased to a level that ensures that the implementation of the Share Consolidation would be certainly approved unless the voting rights exercise ratio at the general meeting of shareholders is 90% or more; and the level of the premiums added to the Tender Offer Price, etc. In addition, with regard to the procedures for the Demand for Share Cash-Out and the Share Consolidation, it can be said that consideration has been given to ensure that the Target Company's shareholders have the opportunity to make an appropriate decision on whether or not to tender their shares in the Tender Offer, thereby eliminating the possibility of coercive pressure on them, and therefore it is found that a certain level of reasonableness is ensured.

(ii) Summary

As described above, appropriate measures have been taken for the Transactions in accordance with the measures to ensure fairness as stipulated in the Fair M&A Guidelines, and no unreasonable points have been found in the terms of the Transactions. Therefore, it is considered that the fairness of the procedures for the Transactions has been ensured.

(d) Whether or not conducting the Transactions would be disadvantageous to the Target Company's minority shareholders

As stated above, the purpose of the Transactions is considered to be valid and reasonable, the terms of the Transactions are considered to be fair and appropriate, and the procedures for the Transactions are considered to be fair. Therefore, it is considered that the execution of the Transactions (including the Target Company's board of directors expressing an opinion in support of the Tender Offer and recommending that its shareholders tender their shares in the Tender Offer) will not be disadvantageous to the Target Company's minority shareholders.

(e) Whether or not the Target Company's board of directors should express its opinion in support of the Tender Offer and recommend that its shareholders tender their shares in the Tender Offer

As described above, because it is considered that the Transactions will contribute to the enhancement of the Target Company's corporate value and the purpose of the Transactions is valid and reasonable, it is appropriate for the Target Company's board of directors to express an opinion in support of the Tender Offer. In addition, because it is considered that the terms of the Transactions are fair and appropriate and the procedures for the Transactions are fair, it is also considered appropriate for the Target Company's board of directors to recommend that its shareholders tender their shares in the Tender Offer.

(E) Establishment of an independent structure for review at the Target Company

According to the Target Company's Press Release, the Target Company established inside the Target Company a system to review, negotiate, and decide on the Transactions independent from the Tender Offeror.

Specifically, after receiving a written proposal from the Tender Offeror on October 24, 2024 that it wishes to commence considerations and discussions toward the execution of the Transactions, based on advice from Nishimura & Asahi, the Target Company established a project team to review the Transactions and to engage in discussions and negotiations with the Tender Offeror. The project team is comprised only of eight members in total, namely, two officers (Mr. Ryo Matoba and Mr. Keiji Sato) and six employees of the Target Company who do not concurrently hold, and have not held in the past, positions as officers or employees at the Tender Offeror. The project team has been exclusively involved in the process of negotiations between the Target Company and the Tender Offeror on the terms of the Transactions, including the Tender Offer Price, together with the Special Committee, and that exclusive involvement has continued.

In addition, at the Special Committee's first meeting held on November 25, 2024, the Target Company obtained the approval of the Special Committee regarding the review structure of the Target Company (including the scope and duties of the officers and employees of the Target Company who are involved in reviewing, negotiating, and deciding on the Transactions), including the exclusive involvement of the project team, having no issues from the perspective of independence and fairness.

(F) Approval of all disinterested directors (including audit and supervisory committee members) of the Target Company

While taking into account advice received from Nishimura & Asahi and advice received from Plutus and the details of the Target Company's Share Valuation Report and while respecting the Report submitted by the Special Committee to the maximum extent, the Target Company's board of directors carefully discussed and considered the Transactions from perspectives such as the enhancement of the Target Company's corporate value and the appropriateness of the terms of the Transactions.

As stated in "(B) Process of and reasons for the decision by the Target Company to support the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" above, the Target Company determined that the Transactions, including the Tender Offer, will contribute to enhancing the corporate value of the Target Company, that the Tender Offer Price (1,100 yen) and other terms of the Tender Offer are appropriate, and that the Tender Offer provides the Target Company's shareholders with a reasonable opportunity to sell their shares, and therefore, at its board of directors meeting held on February 4, 2025, with the unanimous approval of the directors who participated in the deliberations and resolution (i.e., four directors excluding Mr. Kazuhiro Hashizume and Mr. Tomoyuki Okamura; including the audit and supervisory committee members), the Target Company resolved to express an opinion in support of the Tender Offer and recommend that its shareholders tender their shares in the Tender Offer.

Of the six directors of the Target Company (Mr. Ryo Matoba, Mr. Keiji Sato, Mr. Kazuhiro Hashizume, Mr. Masakazu Kuji, Ms. Shoko Kawamoto, and Mr. Tomoyuki Okamura; including audit and supervisory committee members), Mr. Kazuhiro

Hashizume and Mr. Tomoyuki Okamura also serve as officers or employees of the Tender Offeror, and therefore those two directors did not participate in any deliberations considering the Transactions or in the resolution at the above board of directors meeting in order to prevent perceived conflicts of interest between the Tender Offeror and the Target Company's minority shareholders and to ensure fairness of the Transactions. The two directors also did not take part in any considerations regarding the Transactions or any discussions or negotiations on the Transactions with the Tender Offeror on behalf of the Target Company.

(G) Setting the minimum number of share certificates, etc. to be purchased to a number greater than the so-called "Majority of Minority"

As stated in "(1) Outline of the Tender Offer" in "1. Purpose of the Tender Offer" above, The Tender Offeror has set the minimum number of share certificates, etc. to be purchased in the Tender Offer at 3,119,000 shares (ownership ratio: 46.14%), and if the total number of the Tendered Share Certificates, Etc. is less than the minimum number of share certificates, etc. to be purchased (3,119,000 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. That minimum number of share certificates, etc. to be purchased (3,119,000 shares) exceeds a majority of the number of Target Company Shares held by the Target Company's shareholders without any interest in the Tender Offeror, or a so-called "Majority of Minority" (i.e., the number of shares (2,911,532 shares) that constitute a majority of the number of shares (5,823,062 shares) calculated by deducting the number of treasury shares (6,638 shares) as of December 31, 2024 and the number of shares (937,474 shares) held by the Tender Offeror as of the submission date hereof from the total number of issued shares (6,767,174 shares) of the Target Company as of December 31, 2024 stated in the Target Company's Quarterly Financial Results).

In this way, the Tender Offeror will not conduct the Transactions, including the Tender Offer, if it does not obtain the support of a majority of the Target Company's shareholders without any interest in the Tender Offeror, and it has set a minimum number of share certificates, etc. to be purchased that respects the decisions of the Target Company's minority shareholders.

(H) No transaction protection clause

The Tender Offeror and the Target Company have not entered into any agreement that includes a transaction protection clause that prohibits the Target Company from having contact with parties other than the Tender Offeror ("**Competing Acquisition Offerors**") or entered into any other agreement restricting Competing Acquisition Offerors from engaging in actions such as having contact with the Target Company, and by not preventing opportunities for a competing tender offer, the Tender Offeror and the Target Company have given consideration to ensuring the fairness of the Tender Offer.

(I) Measures to ensure that the Target Company's shareholders have the opportunity to make appropriate judgments as to whether or not to tender their shares in the Tender Offer

As stated in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating the "Two-Step Acquisition")" below, the Tender Offeror ensures an opportunity for the Target Company's shareholders to properly decide whether or not to tender their shares in the Tender Offer and gives consideration to avoid placing coercive pressure on the Target Company's shareholders by (i) employing methods ensuring the right of the Target Company's shareholders to request purchase of shares or to petition for a determination of the price of shares, wherein depending on the number of shares acquired by the Tender Offeror through the successful completion of the Tender Offer, the Tender Offeror, promptly after the completion of the settlement of the Tender Offer, either will make a demand for share cash-out for all of the Target Company Shares or will make a demand to the Target Company to convene an extraordinary shareholders' meeting at which the agenda items will include proposals for a share consolidation and a partial amendment to the Target Company's articles of incorporation to abolish the provisions on share units on the condition that the share consolidation takes effect, and (ii) clarifying that the amount of money to be delivered to the Target Company's shareholders as consideration in the demand for share cash-out or the share consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by those shareholders (excluding the Tender Offeror and the Target Company).

In addition, although the shortest tender offer period under laws and regulations is 20 business days, the Tender Offeror has set the tender offer period of the Tender Offer (the "**Tender Offer Period**") to be 41 business days. The Tender Offeror has set the Tender Offer Period to be longer than the statutory minimum of 20 business days to ensure an appropriate opportunity for the shareholders of the Target Company to make a decision about the tendering of shares in the Tender Offer and to ensure an opportunity for competing offers for the Target Company Shares by parties other than the Tender Offeror as a means to guarantee the fairness of the Tender Offer.

(4) Policy for Organizational Restructuring, Etc. After the Tender Offer (Matters Relating to the "Two-Step Acquisition")

As set out in "(1) Outline of the Tender Offer" above, if the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and treasury shares held by the Target Company) through the Tender Offer, the Tender Offeror intends to, after the successful completion of the Tender Offer, carry out procedures for the purpose of acquiring all of the Target Company Shares through the Squeeze-Out Procedures using the following methods.

(A) Demand for share cash-out

If, as a result of the successful completion of the Tender Offer, the total number of voting rights pertaining to the Target Company Shares held by the Tender Offeror becomes 90% or more of the number of the voting rights of all shareholders of the Target Company, and the Tender Offeror becomes a special controlling shareholder as provided for in Article 179, paragraph (1) of the Companies Act (Act No. 86 of 2005, as amended; the "**Companies Act**"), the Tender Offeror intends to, promptly after the completion of the settlement of the Tender Offer, make a demand to all of the shareholders of the Target Company (excluding the Tender Offeror and the Target

Company) (the "**Selling Shareholders**") to sell all of the Target Company Shares they hold (the "**Demand for Share Cash-Out**") under the provisions of Part II, Chapter II, Section 4-2 of the Companies Act.

Money equal to the amount of the Tender Offer Price is to be delivered to the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) in the Demand for Share Cash-Out as consideration for each Target Company Share. In that case, the Tender Offeror will notify the Target Company to that effect and request approval from the Target Company for the Demand for Share Cash-Out. If the Target Company approves the Demand for Share Cash-Out by a resolution of its board of directors, the Tender Offeror will acquire all of the Target Company Shares held by the Selling Shareholders as of the acquisition date stated in the Demand for Share Cash-Out without requiring any individual approval of the Selling Shareholders in accordance with procedures prescribed in applicable laws and regulations. The Tender Offeror will deliver an amount of cash consideration per share equal to the Tender Offer Price to each of the Selling Shareholders in exchange for each Target Company Share held by the Selling Shareholders.

The Target Company intends that if it receives a notice from the Tender Offeror regarding the Tender Offeror's intention to make a Demand for Share Cash-Out and the matters set out in each item of Article 179-2, paragraph (1) of the Companies Act, the Target Company's board of directors will approve the Demand for Share Cash-Out.

In order to protect the rights of general shareholders in relation to the Demand for Share Cash-Out, the Companies Act provides that any of the Selling Shareholders may file a petition with a court for determination of the purchase price of its Target Company Shares in accordance with the provisions of Article 179-8 of the Companies Act and other applicable laws and regulations. It is further noted that if such petition is filed, the purchase price of the Target Company Shares will ultimately be decided by the court.

(B) Share consolidation

If, as a result of the successful completion of the Tender Offer, the total number of voting rights pertaining to the Target Company Shares held by the Tender Offeror is less than 90% of the number of voting rights of all shareholders of the Target Company, the Tender Offeror, promptly after the completion of the settlement of the Tender Offer, will request the Target Company to schedule to hold an extraordinary shareholders' meeting (the "**Extraordinary Shareholders' Meeting**") at which an amendment to the Target Company's articles of incorporation that would consolidate the Target Company Shares in accordance with Article 180 of the Companies Act (the "**Share Consolidation**") and would abolish the share unit number provisions on the condition that the Share Consolidation becomes effective will be proposed. The Tender Offeror intends to approve each of the above proposals at the Extraordinary Shareholders' Meeting. As of today, the Extraordinary Shareholders' Meeting is expected to be held around mid-June 2025.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Target Company will, on the effective date of the Share Consolidation, hold the number of Target Company Shares proportionate to the ratio of the Share Consolidation that is approved at the

Extraordinary Shareholders' Meeting. If, due to the Share Consolidation, the numbers of shares that shareholders of the Target Company receive include fractions less than one share, such shareholders that hold fractions less than one share will receive an amount of cash obtained by selling the Target Company Shares equivalent to the total sum of the fractions less than one share (with such aggregate sum rounded down to the nearest whole number; the same applies hereinafter) to the Target Company or the Tender Offeror as per the procedures specified in Article 235 of the Companies Act and other applicable laws and regulations. It is further noted that the selling price for the number of shares equivalent to the total sum of the fractions less than one share in the Target Company will be valued so that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer (excluding the Tender Offeror and the Target Company) as a result of the sale will be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by each such shareholder. The Tender Offeror intends to request the Target Company to file a petition to the court for permission to sell such Target Company Shares by private contract on this basis. Although the ratio of the Share Consolidation has not been determined as of today, the Tender Offeror intends to request the Target Company to make a decision so that the Tender Offeror will be the sole shareholder of the Target Company and that shareholders (excluding the Tender Offeror and the Target Company) who do not tender their shares in the Tender Offer will have a fraction of less than one share.

In order to protect the rights of general shareholders in relation to the Share Consolidation, the Companies Act provides that if there is a fraction less than one share as a result of the Share Consolidation, each shareholder of the Target Company (excluding the Tender Offeror and the Target Company) may request that the Target Company purchase all such shares that are held and will be a fraction less than one share of the Target Company Shares at a fair price and may file a petition to the 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 applicable laws and regulations. As stated above, because the number of the Target Company Shares held by the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) who do not tender their shares in the Tender Offer will be less than one, the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) objecting to the Share Consolidation may file a petition described above. Please note that if such petition is filed, the purchase price will ultimately be decided by the court.

With regard to each of the above procedures described in (A) and (B), it is possible that, depending on amendments to or the implementation and interpretation of the relevant laws and regulations by authorities, the implementation of those procedures may require time or the methods of implementation may be altered. However, even in such case, it is intended that a method will be used whereby the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) who do not tender their shares in the Tender Offer will ultimately receive cash consideration equal to the number of Target Company Shares held by such shareholder multiplied by the Tender Offer Price in exchange for their shares.

With regard to the Target Company's Restricted Stock granted to the Target Company's directors and employees, although the Restricted Stock is currently under the transfer restriction period, it is provided for in the allotment agreements for the Restricted Stock that if matters concerning a consolidation of shares (limited to cases

where the number of the Restricted Stock held by the receiver of the allotment of the Restricted Stock will become a fraction less than one share as a result of the consolidation of shares) are approved during the transfer restriction period by the Target Company's shareholders' meeting or matters concerning a Demand for Share Cash-Out are approved by the Target Company's board of directors, the Target Company shall, by a resolution of its board of directors, remove the transfer restriction as of the time right before the business day immediately preceding the effective date of the share consolidation or as of the time right before the business day immediately preceding the acquisition date of the Target Company Shares by the special controlling shareholders.

In the Squeeze-Out Procedures, pursuant to the provisions of the aforementioned allotment agreements, the Restricted Stock for which the transfer restrictions have been removed as of the time right before the business day immediately preceding the effective date of the share consolidation or as of the time right before the business day immediately preceding the acquisition date of the Target Company Shares by the special controlling shareholders will be subject to the share consolidation or the Demand for Share Cash-Out.

The specific details and expected timing for the procedures described above will be determined through consultation with the Target Company and then promptly announced by the Target Company.

It is further noted that shareholders of the Target Company will not be solicited to agree to the Tender Offer at the Extraordinary Shareholders' Meeting. Also, all shareholders are asked to seek their own specialist, such as a tax accountant, for tax advice with regard to the tax consequences of tendering their shares in the Tender Offer or the procedures outlined above.

(5) Prospects and Reasons for Delisting

The Target Company Shares are currently listed on the Standard Market of the TSE as of today. However, since the Tender Offeror has not set a maximum number of share certificates, etc. to be purchased in the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the delisting criteria of the TSE, depending on the results of the Tender Offer. Also, even in the case that the delisting criteria are not met upon successful completion of the Tender Offer, the Tender Offeror plans to carry out the Squeeze-Out Procedures stated in "(4) Policy for Organizational Restructuring, Etc. After the Tender Offer (Matters Relating to the "Two-Step Acquisition")" above after the successful completion of the Tender Offer, and if those procedures are carried out, the Target Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE. After delisting, the Target Company Shares will be unable to be traded on the Standard Market of the TSE. In addition, even if the total number of the voting rights of the Target Company held by the Tender Offeror after the successful completion of the Tender Offer is less than two-thirds of the number of the voting rights of all shareholders of the Target Company, the Target Company Shares may be delisted through prescribed procedures in accordance with the delisting criteria of the TSE if the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting. However, even if the proposal for the Share Consolidation is not approved at the Extraordinary Shareholders' Meeting, the Tender Offeror plans to ultimately acquire all of the Target Company Shares (excluding the Target Company Shares held

by the Tender Offeror and treasury shares held by the Target Company) and take the Target Company Shares private, and therefore after taking into consideration factors such as the status of shares tendered in the Tender Offer, the ownership status of the Target Company Shares by the shareholders of the Target Company, those shareholders' attributes, and the voting rights exercise ratios at the Extraordinary Shareholders' Meeting, the Tender Offeror plans to take the Target Company Shares private by further acquiring Target Company Shares through market transactions or off-market transactions other than a tender offer (to the extent permitted by laws) at a price determined in consideration of the market price at the time of that further acquisition (however, that price shall be a reasonable price that, compared to the Tender Offer Price, would not be economically disadvantageous to the shareholders at the time of the further acquisition (i.e., the same price per share as the Tender Offer Price unless an event requiring adjustment, such as a share consolidation or share split, is carried out by the Target Company)) until it reaches a level at which the proposal for the Share Consolidation and other Squeeze-Out Procedures can realistically be approved by a shareholders' meeting of the Target Company.

It is further noted that the purpose of the Tender Offer with the prospect of being delisted is as described in "(A) Background, purpose, and decision making process with respect to the Tender Offeror deciding to conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" above, and the expected impact of the Tender Offer on general shareholders and the Tender Offeror's views in regard thereto are as described in "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" above.

(6) Matters Relating to Material Agreements Regarding the Tender Offer

N/A

2. Overview of the Tender Offer

(1) Outline of the Target Company

(i) Name	DNA Chip Research Inc.
(ii) Location	3-1200 Shinmaruko-Higashi, Nakahara-ku, Kawasaki-shi, Kanagawa
(iii) Title and name of representative	Ryo Matoba, President & CEO
(iv) Type of business	The contracted business, which conducts contracted analysis; and the diagnostics business, which develops and sells diagnostic services using nucleic acid analysis technology
(v) Stated capital	927 million yen (as of December 31, 2024)
(vi) Date of	April 1, 1999

	incorporation	
(vii)	Principal shareholders and shareholding ratios (As of September 30, 2024) (Note)	Mitsui Chemicals, Inc. 13.86% Mamoru Fujii 4.94% Nippon Molymer Co., Ltd. 2.86% Kazuta Kobashi 2.60% Chen Yuan 2.55% Japan Securities Finance Co., Ltd. 1.66% Ueda Yagi Tanshi Co., Ltd. 1.60% Shichiro Edamatsu 1.53% Atsuhiko Mori 1.34% Kiminobu Takegawa 1.30%
(viii)	Relationship between the Tender Offeror and the Target Company	
	Capital relationship	As of today, the Tender Offeror holds 937,474 shares (ownership ratio: 13.87%) of the Target Company Shares.
	Personnel relationship	As of the end of the preceding fiscal year, one of the five directors of the Target Company concurrently serves as an officer or employee of the Tender Offeror. As of today, two of the six directors of the Target Company concurrently serve as an officer or employee of the Tender Offeror. In addition, as of today, one employee of the Tender Offeror is seconded to the Target Company.
	Business relationship	The Tender Offeror has executed capital and business alliance agreements with the Target Company. In addition, the Target Company provides contracted services to the Tender Offeror in relation to development items, etc. in the diagnostics business.
	Status as a related party	The Target Company is not a related party of the Tender Offeror.

(Note): The composition of "Principal shareholders and shareholding ratios (As of September 30, 2024)" is copied from "Status of principal shareholders" in the semi-annual report for the 26th fiscal year (the "**Target Company's Semi-Annual Report**") submitted by the Target Company on November 13, 2024.

(2) Schedule, Etc.

(A) Schedule

Date of decision	February 4, 2025 (Tuesday)
Date of public notice for commencement of the Tender Offer	February 5, 2025 (Wednesday)
Newspaper in which the public notice is published	An electronic public notice will be conducted, and a notice to that effect will be published in the Nikkei. (URL of the electronic public notice: http://disclosure2.edinet-fsa.go.jp/)
Filing date of the Tender Offer Registration Statement	February 5, 2025 (Wednesday)

(B) Initial Period of the Tender Offer as of Registration

February 5, 2025 (Wednesday) to April 7, 2025 (Monday (41 Business Days)

(C) Possibility of Extension by Request of the Target Company

N/A

(3) Price of Tender Offer

1,100 yen per Target Company Share

(4) Basis of Valuation of the Tender Offer Price, Etc.

(A) Basis of valuation

When deciding the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, the Tender Offeror requested KPMG, its financial advisor and third-party appraiser independent from the Tender Offeror and the Target Company, to calculate the share value of the Target Company Shares. KPMG is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Transactions, including the Tender Offer.

KPMG considered multiple share value calculation methods to apply in calculating the share value of the Target Company Shares, and as a result, KPMG applied the following methods for the calculation thereof: (i) the average market price method given that the Target Company Shares are listed on the Standard Market of the TSE and thus the market price thereof is available; and (ii) the discounted cash flow method to reflect the state of future business activities of the Target Company in the calculation of the

value of the Target Company Shares. The Target Company obtained from KPMG the Tender Offeror's Share Valuation Report dated February 3, 2025. The Tender Offeror has not obtained a written opinion regarding the fairness of the Tender Offer Price (a fairness opinion) from KPMG because the Tender Offeror determined and decided the Tender Offer Price in light of the results of discussions and negotiations with the Target Company by comprehensively considering the factors described in "(A) Background, purpose, and decision-making process with respect to the Tender Offeror deciding to conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above.

The methods applied and share value range per Target Company Share as calculated by each of the methods in the Tender Offeror's Share Valuation Report are as follows.

Average market price method: From 661 yen to 716 yen

DCF Method: From 855yen to 1,229 yen

Under the average market price method, the reference date of calculation was set as February 3, 2025, which is the business day preceding the announcement date of the Tender Offer, and the share value range per Target Company Share was calculated to be 661 yen to 716 yen, based on 685 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on the reference date, and the simple average closing prices on the Standard Market of the TSE for the preceding one-month, three-month, and six-month periods ending on the reference date, which were 661 yen, 670 yen, and 716 yen, respectively.

Under the DCF Method, the share value range per Target Company Share was calculated to be 855 yen to 1,229 yen based on the business plans provided by the Target Company (for nine fiscal years from the fiscal year ending March 2025 to the fiscal year ending March 2033) and based on the Targe Company's future earnings forecasts as adjusted by the Tender Offeror taking into consideration various elements such as trends in its financial results until the most recent fiscal year, the results of the due diligence of the Target Company conducted by the Tender Offeror from early November 2024 to late December 2024, and information disclosed by it to the public, and then calculating the corporate value and share value of the Target Company by discounting by a certain rate to the present value the free cash flow projected to be generated by the Target Company during and after the fourth quarter of the fiscal year ending March 2025. The business plans were not prepared on the premise that the Transactions would be executed. In addition, the Target Company's business plans that KPMG used as the basis for the calculation pursuant to the DCF Method as stated above include fiscal years in which significant increases and decreases in operating income are expected.

Specifically, by further increasing the sales volume of the Lung Cancer Compact Panel™ in the diagnostics business and expanding the testing and diagnostic products and services, the Target Company expects a significant year-to-year increase in operating income in the fiscal year ending March 2025 (operating profit of 76 million yen); in the fiscal year ending March 2026 (operating profit of 193 million yen, an increase by 153.2%); in the fiscal year ending March 2027 (operating profit of 379 million yen, an increase by 96.5%); and in the fiscal year ending March 2029, year-to year compared to the year ending March 2028 (operating profit of 688 million yen, 59.8%). In addition, the Target Company expects significant year-to-year increases and decreases in its free cash flow due to capital investment that it plans to make in the fiscal year ending March 2026 and in the fiscal year ending March 2027 as follows: a significant increase in the fiscal year ending March 2025 (137 million yen); a significant decrease in the fiscal year ending March 2026 (608 million yen); a significant increase in the fiscal year ending March 2027 (78 million yen); and a significant increase in the fiscal year ending March 2028 (394 million yen, an increase by 404.0%).

The Tender Offeror finally decided on the Tender Offer Price of 1,100 yen at the board of directors meeting held on February 4, 2025 in light of the results of discussions and negotiations with the Target Company by comprehensively considering factors such as the result of the calculation stated in the Tender Offeror's Share Valuation Report obtained from KPMG as well as the results of the due diligence of the Target Company conducted by the Tender Offeror from early November 2024 to late December 2024, trends in the market prices of the Target Company Shares, the results of discussions and negotiations with the Target Company, whether the board of directors of the Target Company supports the Tender Offer, and the prospect of share certificates, etc. being tendered in the Tender Offer.

The Tender Offer Price of 1,100 yen represents a premium of 60.58% on 685 yen, the closing price of the Target Company Shares on the Standard Market of the TSE on February 3, 2025 (which is the business day preceding the announcement date of the Tender Offer), a premium of 66.41% on 661 yen, the simple average closing price of the Target Company Shares for the one-month period ending on that date, a premium of 64.18% on 670 yen, the simple average closing price of the Target Company Shares for the three-month period ending on that date, and a premium of 53.63% on 716 yen, the simple average closing price of the Target Company Shares for the six-month period ending on that date.

Note: In calculating the value of the Target Company Shares, KPMG has assumed, among other matters, that all of the materials and information used by it, including the information provided by the Target Company, information received through interviews, the publicly available information, are accurate

and complete and that there is no fact that has not been disclosed to KPMG and that could possibly have a material impact on the share valuation of the Target Company, and it did not independently verify the accuracy of such information. Also, KPMG has not conducted an independent evaluation or appraisal, nor has it made any request to a third-party institution for any evaluation, appraisal, or assessment, with respect to any assets or liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Target Company, including any analysis or evaluation of individual assets and liabilities. In addition, KPMG assumed that the financial forecast of the Target Company that KPMG referred to when making its calculation had been reasonably prepared based on the best projections and judgment that were currently available to the Tender Offeror and that the information and economic situation up to February 3, 2025 have been reflected in such calculation.

(B) Background of valuation

(Background of the decision on the Tender Offer Price)

As stated in "(A) Background, purpose, and decision-making process with respect to the Tender Offeror deciding to conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Tender Offeror decided to conduct the Tender Offer for all of the Target Company Shares at the bord of directors meeting held on February 4, 2025 and decided the Tender Offer Price through the following process.

(a) Name of third-party from whom opinion was received when performing the calculation

When deciding the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, the Tender Offeror requested KPMG, which is a third-party appraiser and financial advisor independent from the Tender Offeror and the Target Company, to calculate the share value of the Target Company Shares. KPMG is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Transactions, including the Tender Offer. The Tender Offeror has not obtained a written opinion regarding the fairness of the Tender Offer Price (a fairness opinion) from KPMG because the Tender Offeror determined and decided the Tender Offer Price in light of the results of discussions and negotiations with the Target Company by comprehensively considering the factors described in "(A) Background, purpose, and decision-making process with respect to the Tender Offeror deciding to conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the

Tender Offer, and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above.

(b) Outline of the opinion

As stated in "(A) Basis of valuation" above, the methods applied and share value range per Target Company Share as calculated by each of the methods in the Tender Offeror's Share Valuation Report are as follows.

Average market price method: From 661 yen to 716 yen

DCF Method: From 855 yen to 1,229 yen

(c) Reasons for deciding the purchase price based on the opinion

The Tender Offeror finally decided on the Tender Offer Price of 1,100 yen at the board of directors meeting held on February 4, 2025 in light of the results of discussions and negotiations with the Target Company by comprehensively considering factors such as the result of the calculation stated in the Tender Offeror's Share Valuation Report obtained from KPMG as well as the results of the due diligence of the Target Company conducted by the Tender Offeror from early November 2024 to late December 2024, trends in the market prices of the Target Company Shares, the results of discussions and negotiations with the Target Company, whether the board of directors of the Target Company supports the Tender Offer, and the prospect of share certificates, etc. being tendered in the Tender Offer.

(C) Relationship with the appraiser

KPMG, which is the Tender Offeror's financial advisor and third-party appraiser, is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer.

(5) Number of Share Certificates, Etc. to Be Purchased

Class of Share Certificates, Etc.	Number of share certificates, etc. to be purchased	Minimum number of share certificates, etc. to be purchased	Maximum number of share certificates, etc. to be purchased
Common shares	5,823,062 shares	3,119,000 shares	– shares
Total	5,823,062 shares	3,119,000 shares	– shares

Note 1: If the total number of the Tendered Share Certificates, Etc. is less than the minimum number of share certificates, etc. to be purchased (3,119,000 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of the Tendered Share Certificates, Etc. is equal to or greater than the minimum number of share certificates, etc. to be purchased

(3,119,000 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

Note 2: Because the Tender Offeror has not set a maximum number of share certificates, etc. to be purchased in the Tender Offer, the number of share certificates, etc. to be purchased is stated as the maximum number of Target Company Shares that may be purchased by the Tender Offeror in the Tender Offer (5,823,062 shares). This number is the number of shares (5,823,062 shares) representing (i) the Reference Number of Shares (6,760,536 shares) minus (ii) the number of Target Company Shares (937,474 shares) held by the Tender Offeror as of today.

Note 3: Shares less than one unit are also subject to the Tender Offer. If a right to demand purchase of shares less than one unit is exercised by a shareholder in accordance with the Companies Act, the Target Company may purchase its own treasury shares during the Tender Offer Period in accordance with procedures under laws and regulations.

Note 4: The Tender Offeror does not intend to acquire the treasury shares held by the Target Company through the Tender Offer.

(6) Changes in Ownership Ratio of Share Certificates, Etc. After the Tender Offer

Number of voting rights represented by the share certificates, etc. held by the Tender Offeror before the Tender Offer	9,374 voting rights	(Ownership ratio of share certificates, etc. before the Tender Offer: 13.87%)
Number of voting rights represented by the share certificates, etc. held by specially related parties before the Tender Offer	0 voting rights	(Ownership ratio of share certificates, etc. before the Tender Offer: 0.00%)
Number of voting rights represented by the share certificates, etc. held by the Tender Offeror after the Tender Offer	67,570 voting rights	(Ownership ratio of share certificates, etc. after the Tender Offer: 100.00%)
Number of voting rights represented by the share certificates, etc. held by specially related parties after the Tender Offer	0 voting rights	(Ownership ratio of share certificates, etc. after the Tender Offer: 0.00%)
Total number of voting rights of all shareholders, etc. of the	67,570 voting rights	

Target Company		

Note 1: "Number of voting rights represented by the share certificates, etc. held by specially related parties before the Tender Offer" states the total number of voting rights represented by share certificates, etc. held by each specially related party (except for persons excluded from specially related parties under Article 3(2)(i) of the Cabinet Ordinance with Respect to Disclosure of a Tender Offer for Share Certificates, Etc. by an Offeror Other than the Issuing Company (Ministry of Finance Ordinance No. 38 of 1990, as amended, the "**Cabinet Ordinance**") for the purpose of calculating the ownership ratio of share certificates, etc. under each item of Article 27-2(1)).

Note 2: "Total number of voting rights of all shareholders, etc. of the Target Company" is the number of voting rights of all shareholders, etc. of the Target Company as of September 30, 2024 stated in the semi-annual report for the 26th fiscal year submitted by the Target Company on November 13, 2024 (based on the number of shares per unit being 100 shares). However, since the shares less than one unit (excluding the treasury shares less than one unit held by the Target Company) are subject to the Tender Offer, when calculating "Ownership ratio of share certificates, etc. before the Tender Offer" and "Ownership ratio of share certificates, etc. after the Tender Offer," the number of voting rights (67,605) represented by the Reference Number of Shares (6,760,536 shares) is used as the denominator.

Note 3: "Ownership ratio of share certificates, etc. before the Tender Offer" and "Ownership ratio of share certificates, etc. after the Tender Offer" have been rounded to two decimal places.

(7) Purchase Price

6,405,368,200 yen

Note: The purchase price is the amount obtained by multiplying the number of share certificates, etc. to be purchased (5,823,062 shares) in the Tender Offer by the Tender Offer Price (1,100 yen).

(8) Method of Settlement

(A) Name and address of head office of financial instruments business operator or bank, etc. in charge of settlement of tender offer

Mizuho Securities Co., Ltd. (tender offer agent) 1-5-1, Otemachi, Chiyoda-ku, Tokyo

Rakuten Securities, Inc. (tender offer subagent) 2-6-21, Minami-Aoyama, Minato-ku, Tokyo

(B) Commencement date of settlement

April 14, 2025 (Monday)

(C) Method of settlement

In the case of tendering share certificates, etc. through Mizuho Securities Co., Ltd.:

A notice regarding the purchase under the Tender Offer will be mailed to the address of the tendering shareholders, etc. (or the standing proxy in the case of non-resident shareholders) without delay after the expiration of the Tender Offer Period.

The purchase will be settled in cash. The tender offer agent will remit the sales proceeds of the share certificates, etc. purchased to the address designated by the tendering shareholders, etc. (or the standing proxy in the case of non-resident shareholders) in accordance with the instructions given by the tendering shareholders, etc. (or the standing proxy in the case of non-resident shareholders) or to the account of the tendering shareholders, etc. with the tender offer agent through which the shares certificates, etc. were tendered without delay after the commencement date of the settlement.

In the case of tendering share certificates, etc. through Rakuten Securities, Inc.:

A notice regarding the purchase under the Tender Offer will be delivered to the tendering shareholders, etc. by electromagnetic means without delay after the expiration of the Tender Offer Period. The purchase will be settled in cash. The tender offer subagent will remit the sales proceeds of the share certificates, etc. purchased to the account of the tendering shareholders, etc. with the tender offer subagent without delay after the commencement date of the settlement.

(D) Method of return of share certificates, etc.

In the case of tendering share certificates, etc. through Mizuho Securities Co., Ltd.:

In the event that none of the Tendered Share Certificates, Etc. will be purchased under the terms set forth in "(A) Conditions set forth in each item of Article 27-13, Paragraph 4 of the Act and the details thereof" or "(B) Conditions of withdrawal, etc. of the tender offer, details thereof and method of disclosure of withdrawal, etc." in "(9) Other Conditions and Methods of Purchase" below, the tender offer agent will revert the share certificates, etc. that are required to be returned promptly after the date two business days after the last day of the Tender Offer Period (or the day of withdrawal, etc. if the Tender Offeror withdraws the Tender Offer).

In the case of tendering share certificates, etc. through Rakuten Securities, Inc.:

In the event that none of the Tendered Share Certificates, Etc. will be purchased under the terms set forth in "(A) Conditions set forth in each item of Article 27-13, Paragraph 4 of the Act and the details thereof" or "(B) Conditions of withdrawal, etc. of the tender offer, details thereof and method of disclosure of withdrawal, etc." in "(9) Other Conditions and Methods of the Tender Offer" below, the tender offer subagent will revert the share certificates, etc. that are required to be returned promptly after the date two business days after the last day of the Tender Offer Period (or the day of withdrawal, etc. if the Tender Offeror withdraws the Tender Offer).

(9) Other Conditions and Methods of the Tender Offer

(A) Conditions set forth in each item of Article 27-13, Paragraph 4 of the Act and the details thereof

The Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. if the total number of the Tendered Share Certificates, Etc. is less than the minimum number of share certificates, etc. to be purchased (3,119,000 shares). The Tender Offeror will purchase all of the Tendered Share Certificates, Etc. if the total number of the Tendered Share Certificates, Etc. is equal to or greater than the minimum number of share certificates, etc. to be purchased (3,119,000 shares).

(B) 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, and Items (3)1 through (3)8 and (3)10, as well as Article 14, Paragraph 2, Items (3) through (6) of the Financial Instruments and Exchange Act Enforcement Order (Cabinet Order No. 321 of 1965, as amended; the "**Enforcement Order**") occurs, the Tender Offeror may withdraw the Tender Offer. The "events which are equivalent to those listed in Items (3)1 through (3)9" set out in Article 14, Paragraph 1, Item (3)10 of the Enforcement Order refers to the case where any of the statutory disclosure documents submitted by the Target Company in the past is found to contain a false statement on a material fact, or omit a statement on a material fact that should have been stated but the Tender Offeror was not aware of the existence of such false statement, etc. nor could the Tender Offeror have been aware of such false statement, etc. even with reasonable care.

If the Tender Offeror intends to withdraw the Tender Offer, the Tender Offeror will give an electronic public notice and publish a notice to that effect in the Nikkei. However, if it is deemed difficult to give the public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method set out in Article 20 of the Cabinet Ordinance and give a public notice immediately after the announcement.

(C) Conditions to reduce purchase price, details thereof and method of disclosure of reduction

Under Article 27-6, Paragraph 1, Item (1) of the Act, if the Target Company conducts any act set out in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the purchase price in accordance with the standards set out in Article 19, Paragraph 1 of the Cabinet Ordinance.

If the Tender Offeror intends to reduce the purchase price, the Tender Offeror will give an electronic public notice and publish a notice to that effect in the Nikkei. However, if it is deemed difficult to give the public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method set out in Article 20 of the Cabinet Ordinance and give public notice immediately after the announcement. If the purchase price is reduced, the Tender Offeror will also purchase the share certificates, etc. tendered on or before the date of the public notice at the reduced purchase price.

(D) Matters concerning right of tendering shareholders, etc. to cancel agreements

In the case of tendering share certificates, etc. through Mizuho Securities Co., Ltd.:

The tendering shareholders, etc. may, at any time during the Tender Offer Period, cancel their agreements for the Tender Offer.

A tendering shareholder, etc. who wishes to cancel an agreement must deliver or send a notice stating the intention to cancel the agreement for the Tender Offer (a "**Cancellation Document**") to the head office or any domestic branch office of the tender offer agent that accepted the tendering by no later than 3:00 p.m. on the last day of the Tender Offer Period. The cancellation of such agreement will take effect at the time when the Cancellation Document is delivered to or reaches the tender offer agent. Accordingly, tendering shareholders, etc. should be aware that when sending a Cancellation Document, the tendering shareholders, etc. may not cancel the agreement unless the Cancellation Document reaches the tender offer agent by no later than 3:00 p.m. on the last day of the Tender Offer Period.

Party authorized to receive Cancellation Documents:

Mizuho Securities Co., Ltd. 1-5-1, Otemachi, Chiyoda-ku, Tokyo

(or any other domestic branch office of Mizuho Securities Co., Ltd.)

In the case of tendering shares through Rakuten Securities, Inc.:

The tendering shareholders, etc. may, at any time during the Tender Offer Period, cancel their agreements for the Tender Offer. To cancel an agreement, the tendering shareholders, etc. should complete the cancellation procedures by 3:30 p.m. on the last day of the Tender Offer Period by logging in to the website of the subagent (https://www.rakuten-sec.co.jp/) and selecting "Japanese Shares" to access the "Tender Offer Bid (TOB)" screen.

Party authorized to receive cancellation requests:

Rakuten Securities, Inc. 2-6-21, Minami-Aoyama, Minato-ku, Tokyo

The Tender Offeror will not make any claim for damages or penalty payments due to the tendering shareholders, etc. canceling their agreements. Further, the cost of returning Tendered Share Certificates, Etc. to the tendering shareholders, etc. will be borne by the Tender Offeror. If the Tender Offeror receives a request for cancellation, the Tendered Share Certificates, Etc. will be returned to the relevant tendering shareholder, etc. by the methods described in "(D) Method of return of share certificates, etc." in "(8) Method of Settlement" above promptly after the procedures for the request for cancellation are completed.

(E) Method of disclosure if conditions of tender offer are changed

The Tender Offeror may change the conditions, etc. of the Tender Offer during the Tender Offer Period unless such change is prohibited under Article 27-6, Paragraph 1 of the Act or Article 13, Paragraph 2 of the Enforcement Order. If the Tender Offeror intends to change any conditions, etc. of the Tender Offer, the Tender Offeror will give

an electronic public notice and publish a notice to that effect in the Nikkei. However, if it is deemed difficult to give the notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in the manner set out in Article 20 of the Cabinet Ordinance and give a public notice immediately after the announcement. If the conditions, etc. of the Tender Offer are changed, the Tender Offeror will also purchase the share certificates, etc. tendered on or before the date of the public notice in accordance with the changed conditions, etc. of the Tender Offer.

(F) Method of disclosure if amendment statement is filed

If an amendment statement is submitted to the Director-General of the Kanto Local Finance Bureau (unless otherwise provided for in the proviso in Article 27-8, Paragraph 11 of the Act), the Tender Offeror will immediately make a public announcement of the content of that amendment statement that is relevant to the content of the public notice of the commencement of the Tender Offer in the manner set out in Article 20 of the Cabinet Ordinance. The Tender Offeror will also immediately amend the explanatory statement of the Tender Offer and deliver the amended explanatory statement to the tendering shareholders, etc. who have already received the previous explanatory statement. However, if the amendments are limited in scope, the Tender Offeror may instead prepare and deliver to tendering shareholders, etc. a document stating the reason for the amendments, the matters amended, and the details thereof.

(G) Method of disclosure of results of tender offer

The results of the Tender Offer will be made public on the day following the last day of the Tender Offer Period in the manner set out in Article 9-4 of the Enforcement Order and Article 30-2 of the Cabinet Ordinance.

(H) Other matters

The Tender Offer will not be conducted, directly or indirectly, in or targeted at the United States, nor through the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, facsimile, email, Internet communication, telex, and telephone), nor through any stock exchange facilities in the United States. No tender in the Tender Offer may be made through any of the aforementioned methods or means, through those stock exchange facilities, or from the United States

In addition, neither the tender offer registration statement for the Tender Offer nor other relevant documents will, or may, be sent or distributed in, to, or from the United States by the postal mail services or other means. No tender in the Tender Offer that violates, directly or indirectly, any of the aforementioned restrictions will be accepted.

When applying for the Tender Offer, the tendering shareholder, etc. (or the standing proxy in the case of non-resident shareholders) may be required to provide the tender offer agent with the representations and warranties listed below:

The tendering shareholder, etc. is not located in the United States both at the time of applying for the Tender Offer and at the time of sending an application form for the Tender Offer. The tendering shareholder, etc. has not, directly or indirectly, received

or sent any information (including its copies) related to the Tender Offer to, in, or from the United States. The tendering shareholder, etc. has not used, directly or indirectly, in connection with the Tender Offer or the provision of his/her signature to the application form for the Tender Offer or delivery thereof, the U.S. postal mail services or any other interstate or international commercial methods or means (including, but not limited to, facsimile, email, Internet communication, telex, and telephone) or any stock exchange facilities in the United States. The tendering shareholder, etc. is not acting as an agent, entrustee or delegate, without discretion, of another entity (except where such other entity provides the tendering shareholder, etc. with all instructions relating to the Tender Offer from outside the United States).

(10) Date of Public Notice

February 5, 2025 (Wednesday)

(11) Tender Offer Agent

Mizuho Securities Co., Ltd. 1-5-1, Otemachi, Chiyoda-ku, Tokyo

The tender offer agent has appointed the tender offer subagent specified below in order to subcontract a part of its administrative services.

Rakuten Securities, Inc. (tender offer subagent) 2-6-21, Minami-Aoyama, Minato-ku, Tokyo

3. Policies After the Tender Offer and Future Prospects

Please refer to "(2) Background, Purpose, and Decision-Making Process with Respect to Conducting the Tender Offer, and Management Policy After the Tender Offer," "(4) Policy for Organizational Restructuring, Etc. After the Tender Offer (Matters Relating to the "Two-Step Acquisition")," and "(5) Prospects and Reasons for Delisting" in "1. Purpose of the Tender Offer" above for the Tender Offeror's policies after the Tender Offer and future prospects.

4. Other Matters

(1) Agreements Between the Tender Offeror and the Target Company or Its Directors or Officers, and the Contents Thereof

According to the Target Company's Press Release, the Target Company resolved at its board of directors meeting held on February 4, 2025 to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

For the details, please refer to the Target Company's Press Release and "(F) Approval of all disinterested directors (including audit and supervisory committee members) of the Target Company" in "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "1. Purpose of the Tender Offer" above.

(2) Other Information Necessary for Investors' Decision on Tender

(A) Announcement of the "Non-Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 2025 (Japanese GAAP)"

The Target Company released the Target Company's Quarterly Financial Results on February 4, 2025. An outline of the Target Company's Quarterly Financial Results based on the announcement is as follows. The matters disclosed in the announcement have not been subject to a quarterly review by an audit firm under the provisions of Article 193-2, Paragraph 1 of the Act. In addition, the outline of the matters disclosed in the announcement below is an excerpt of the matters disclosed by the Target Company, and therefore the Tender Offeror is not in a position to conduct, and has not actually conducted, any independent verification regarding the accuracy or truthfulness thereof. Please refer to the matters disclosed in the actual announcement for details.

(1) Profits and losses

Fiscal year	Fiscal year ending March 2025 (Third-quarter cumulative period)
Net sales	743,437,000 yen
Cost of sales	367,510,000 yen
Selling, general and administrative expenses	390,730,000 yen
Non-operating income	266,000 yen
Non-operating expenses	145,000 yen
Net income (loss)	(24,165,000 yen)

(2) Profit and loss per share

Fiscal year	Fiscal year ending March 2025 (Third-quarter cumulative period)
Net income (loss) per share	(3.57 yen)
Dividend per share	0.00 yen

End

Regulation on Solicitation

This press release is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting the sale of shares. If shareholders wish to make an offer to sell their shares, they should first read the tender offer explanatory statement for the Tender Offer and make their own independent decision. This press release does not constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of an offer to buy, any securities. In addition, neither this press release (nor any part of it) nor the fact of its distribution shall form the basis of any agreement regarding the Tender Offer, nor shall it be relied on in connection with executing any such agreement.

Forward-Looking Statements

This press release may contain forward-looking expressions, such as "expect," "forecast," "intend," "plan" "believe" and "anticipate," including expressions regarding future business of the Tender Offeror, the Target Company, and other companies. These expressions are based on the Tender Offeror's current outlook using judgments made taking into consideration information that can be used as a basis at present, and therefore it is possible that the actual results will significantly differ from the Tender Offeror's outlook, depending on various risks and uncertainties. The Tender Offeror assumes no obligation to update these expressions concerning forward-looking statements in this press release to reflect factors such as actual business performance, various future circumstances and conditions, and changes to terms and conditions.

U.S. Regulation

The Tender Offer will not be conducted, directly or indirectly, in or targeted at the United States, nor through the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, email, and Internet communication), nor through any stock exchange facilities in the United States. No tender in the Tender Offer may be made through any of the aforementioned methods or means, through those stock exchange facilities, or from the United States. In addition, neither the press release related to the Tender Offer nor other relevant documents will, or may, be sent or distributed in, to, or from the United States by the postal mail services or other means. No tender in the Tender Offer that violates, directly or indirectly, any of the aforementioned restrictions will be accepted. Solicitation to purchase securities or other equivalent instruments is not conducted to residents in the United States or within the United States. Even if such securities or other equivalent instruments are sent to the Tender Offeror by residents in the United States or from the United States, they will not be accepted.

Other Countries

Some countries or regions may impose restrictions on the announcement, issuance, or distribution of this press release. In such cases, please take note of such restrictions and comply with them. In countries or regions where the implementation of the Tender Offer is illegal, even upon receiving this press release, such receipt shall not constitute a solicitation of an offer to sell or an offer to purchase share certificates, etc. related to the Tender Offer and shall be deemed to be a distribution of materials for informative purposes only.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.