(Translation)

March 14, 2025

To Whom It May Concern:

Company Name:	EcoNaviSta,Inc.
Name of Representative:	Kimihito Watanabe, Representative Director Masashige Sugisaki, Representative Director (Code: 5585, TSE Growth Market)
Inquiries to:	Daisuke Kawamata, Director, CSO (TEL: +81-3-6206-9207)

ANNOUNCEMENT ON EXPRESSION OF OPINION IN FAVOR OF AND RECOMMENDATION TO ACCEPT A TENDER OFFER BY EISAI CO., LTD. FOR COMPANY'S SHARES, ETC.

EcoNaviSta,Inc. (the "Company") hereby announces that the Company resolved at its board meeting held on March 14, 2025 to express an opinion in favor of the tender offer (the "Tender Offer") for common stocks in the Company (the "Company's Share(s)") and the Share Acquisition Rights (defined in "2. Tender Offer Price" below; the same applies hereinafter) to be conducted by Eisai Co., Ltd. (the "Tender Offeror"), and to recommend that the shareholders and holders ("Share Acquisition Rights Holders") of share acquisition rights of the Company tender their shares and the Share Acquisition Rights in the Tender Offer.

The board of directors adopted the above resolution on the assumption that the Tender Offeror intends to cause the Company to be a wholly-owned subsidiary of the Tender Offeror and the Company's Shares will be subject to delisting upon the Tender Offer and a subsequent series of procedures conducted by the Tender Offeror.

Particulars

1. Outline of the Tender Offeror

(1)	Name	Eisai Co., Ltd.	
(2)	Location	4-6-10 Koishikawa, Bunkyo-ku, Tokyo	
(3)	Title and Name of Representative	Representative Corporate Officer and CEO, Haruo Naito	
(4)	Business Description	Research and development, manufacture, sale and import and export of pharmaceuticals	
(5)	Stated Capital	44,986,000,000 yen (as of September 30, 2024)	
(6)	Establishment Date	December 6, 1941	
(7)	Major Shareholders and Shareholding Ratio (as	The Master Trust Bank of Japan, Ltd. (Trust account)	18.32%

	of September 30, 2024) (Note)	Custody Bank of Japan, Ltd. (Trust account)	10.64%
		STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	8.94%
		Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	2.30%
		STATE STREET BANK WEAT CLIENT-TREATY 505234 (Standing proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1.84%
		The Naito Foundation	1.49%
		THE CHASE MANHATTAN BANK, N.A.LONDON (Standing proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1.44%
		Saitama Resona Bank,Limited	1.35%
		JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1.33%
		GOLDMAN SACHS JAPAN CO., LTD. BNYM (Standing proxy: MUFG Bank, Ltd.)	1.18%
(8)	Relationship between the Company and the Tender Offeror		
	Capital Relationship	Not Applicable	
	Personnel Relationship	Not Applicable	
	Business Relationship	The Company executed a business alliance agreement with the Tender Offeror.	
	Status as a Related Party	Not Applicable	

(Note) "Major Shareholders and Shareholding Ratio" is written based on the "Status of Major Shareholders" in the Tender Offeror's 113th Semi-annual Report submitted on November 8, 2024.

2. Tender Offer Price

(1) 2,190 yen per Company's Share

(2) Share acquisition rights (the share acquisition rights described in ① through ④ below are collectively referred to as the "Share Acquisition Rights.")

① Share acquisition rights issued based on a resolution of the board of directors of the Company at a meeting on August 2, 2017 ("Second Series Share Acquisition Rights") (the exercise period is from August 3, 2019 to August 2, 2027)
21,150 yen per share acquisition right

② Share acquisition rights issued based on a resolution of the board of directors of the Company at a meeting on September 4, 2020 ("Third Series Share Acquisition Rights") (the exercise period is from September 5, 2022 to September 4, 2030)
18,400 yen per share acquisition right

③ Share acquisition rights issued based on a resolution of the board of directors of the Company at a meeting on September 17, 2021 ("Fourth Series Share Acquisition Rights") (the exercise period is from September 18, 2023 to September 17, 2031)
18,230 yen per share acquisition right

④ Share acquisition rights issued based on a resolution of the board of directors of the Company at a meeting on August 17, 2022 ("Fifth Series Share Acquisition Rights") (the exercise period is from August 18, 2024 to August 17, 2032)
12,460 yen per share acquisition right

3. Details, Grounds and Reasons of the Opinion regarding the Tender Offer

(1) Details of the opinion

Based on the grounds and reasons described in "(2) Grounds and reasons of the opinion" below, the Company's board meeting which was held on March 14, 2025 adopted a resolution expressing an opinion in favor of the Tender Offer and recommending that the Company's shareholders and Share Acquisition Rights Holders tender their shares and the Share Acquisition Rights in the Tender Offer.

The above board resolution was adopted in the manner described in "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest", "⑤ Approval of all directors and company auditors of the Company without interest" below.

(2) Grounds and reasons of the opinion

The description about the Tender Offeror in this grounds and reasons of the opinion is based on explanations given by the Tender Offeror.

① Overview of the Tender Offer

According to the Tender Offeror, on March 14, 2025, the Tender Offeror decided to conduct the Tender Offer as part of a transaction to acquire all of the common shares of the Company listed on Tokyo Stock Exchange,Inc. (the "Tokyo Stock Exchange") Growth Market (however, this includes the Company's Shares to be delivered upon exercise of the Share Acquisition Rights, and excludes treasury shares held by the Company) and all of the Share Acquisition Rights, and to make the Company a wholly-owned subsidiary of the Tender Offeror (the "Transaction"). As of the date of this release, the Tender Offeror does

not hold any of the Company's Shares or the Share Acquisition Rights.

In addition, according to the Tender Offeror, when conducting the Tender Offer, on March 14, 2025, the Tender Offeror entered into an agreement with Cocoa Asset Co., Ltd. ("Cocoa Asset"), which is the asset management company of Mr. Osami Kajimoto, the founder, director and chairman of the Company ("Mr. Kajimoto"), and the largest shareholder of the Company (number of shares held: 2,053,250 shares, ownership ratio (Note 1): 28.11%), to tender all of the Company's Shares that it holds in the Tender Offer (the "Tender Agreement (Cocoa Asset)"), an agreement with Hulic Co., Ltd. ("Hulic"), which is the second largest shareholder of the Company (number of shares held: 672,750 shares, ownership ratio: 9.21%), to tender all of the Company's Shares that it holds in the Tender Offer (the "Tender Agreement (Hulic)"), and an agreement with TOKYO GAS Co., Ltd. ("TOKYO GAS"), which is the third largest shareholder of the Company (number of shares held: 622,750 shares, ownership ratio: 8.53%), to tender all of the Company's Shares that it holds in the Tender Offer (the "Tender Agreement (Tokyo Gas)"). Accordingly, it has been agreed that all Company's Shares held by Cocoa Asset, Hulic, and TOKYO GAS (total: 3,348,750 shares, ownership ratio: 45.84%) (hereinafter, Cocoa Asset, Hulic, and TOKYO GAS are collectively referred as the "Consenting Shareholders") will be tendered in the Tender Offer. For an outline of the Tender Agreement (Cocoa Asset), the Tender Agreement (Hulic), and the Tender Agreement (TOKYO GAS) (hereinafter, collectively referred to as the "Tender Agreements"), please refer to "4. Matters Concerning Material Agreements for the Tender Offer Among the Tender Offeror, Our Shareholders, Directors, Etc." below.

(Note 1) The "ownership ratio" refers to the ratio against 7,304,743 shares (the "Total Number of Shares after Allowing for Dilutive Shares"), which is the number of shares obtained by subtracting treasury shares (37 shares) held by the Company as of January 31, 2025, as stated in the "Summary of Financial Results for the First Quarter of the Fiscal Year Ending October 2025 [Japanese GAAP] (Unconsolidated)" published by the Company on March 14, 2025 (the "Summary of Financial Results of the Company") from the number of shares (7,304,780 shares) obtained by adding the total number of issued shares (6,585,010 shares) as of January 31, 2025, as stated in the Summary of Financial Results of the Company, and the number of Company's Shares (719,770 shares) underlying 71,977 Share Acquisition Rights (Note 2), which is the total number of Share Acquisition Rights outstanding as of January 31, 2025, and subsequently rounding the result of this calculation to the second decimal place. The same shall apply hereinafter in the calculation of the ownership ratio.

(Note 2) The breakdown of the Share Acquisition Rights outstanding as of January 31, 2025, is as follows.

Name of the Share Acquisition Rights	Number of units as of January 31, 2025 (units)	Number of underlying Company's Shares (shares)
Second Series Share Acquisition Rights	59,980	599,800

Third Series Share Acquisition Rights	6,802	68,020
Fourth Series Share Acquisition Rights	1,860	18,600
Fifth Series Share Acquisition Rights	3,335	33,350
Total	71,977	719,770

According to the Tender Offeror, the Tender Offeror has set 4,869,800 shares (ownership ratio: 66.67%) as the minimum number of shares to be purchased in the Tender Offer, and if the total number of share certificates, etc., tendered in the Tender Offer ("Tendered Share Certificates, etc.") is less than the minimum number of shares to be purchased (4,869,800 shares), the Tender Offeror will not conduct the purchase, etc., of all of the Tendered Share Certificates, etc. On the other hand, as stated above, since the Tender Offeror aims to acquire all of the Company's Shares (however, this includes the Company's Shares to be delivered upon exercise of the Share Acquisition Rights, and excludes treasury shares held by the Company) and all of the Share Acquisition Rights, and to thus make the Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror has not set an upper limit for the number of shares to be purchased, and if the total number of Tendered Share Certificates, etc., is equal to or greater than the minimum number of shares be purchased (4,869,800 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, etc. The minimum number of shares to be purchased (4,869,800 shares) is set at the number obtained by multiplying the number of voting rights pertaining to the Total Number of Shares after Allowing for Dilutive Shares (73,047 units) by 2/3 (48,698 units) and by 100 shares, which is the number of shares per unit of the Company (4,869,800 shares).

According to the Tender Offeror, the reason for setting the minimum number of shares to be purchased in this way is that, in the Tender Offer, the Tender Offeror aims for the Tender Offeror to be the sole shareholder of the Company. Accordingly, if the Tender Offeror fails to acquire all of the Company's Shares (however, this includes the Company's Shares to be delivered upon exercise of the Share Acquisition Rights, and excludes treasury shares held by the Company) and all of the Share Acquisition Rights in the Tender Offer, after the Tender Offer takes effect, the Tender Offeror plans to request the Company to implement a series of procedures to make the Tender Offeror the sole shareholder of the Company and make the Company a wholly-owned subsidiary (the "Squeeze-Out Procedures"), as described in "(4) Policy on organizational restructuring, etc. after the Tender Offer (matters related to the so-called two-tier takeover strategy)" below, and since a special resolution at a shareholders meeting as provided for in Article 309, paragraph (2) of the Companies Act is a requirement for conducting a consolidation of the Company's Shares ("consolidation of shares") pursuant to Article 180 of the Companies Act for the Squeeze-Out Procedures, the Tender Offeror intends to own 2/3 or more of the voting rights of all shareholders of the Company after the Tender Offer so that this requirement

can be satisfied in order to ensure the execution of the Squeeze-Out Procedures.

According to the Tender Offeror, if the Tender Offer takes effect, the Tender Offeror expects to use equity capital and cash on hand as funds for the settlement of the Tender Offer, and does not expect to procure any new funding.

② Background to, and objectives of and decision-making process leading to the Tender Offeror's decision to implement the Tender Offer

According to the Tender Offeror, the Tender Offeror was established as Nihon Eisai Co., Ltd. in December 1941 and changed its name to the current Eisai Co., Ltd. in May 1955. The shares of the Tender Offeror were listed on the First Section of the Tokyo Stock Exchange in September 1961, and following revisions to the market divisions of the Tokyo Stock Exchange in April 2022, are now listed on the Tokyo Stock Exchange, Prime Market.

According to the Tender Offeror, as of the date of this release, the group of the Tender Offeror consists of the Tender Offeror, 48 consolidated subsidiaries, and 1 equity-method affiliate (the "Tender Offeror Group"), and is engaged in the pharmaceutical business in Japan and overseas. In the pharmaceutical business, the Tender Offeror engages in R&D, manufacturing, and sales of ethical pharmaceuticals, OTC pharmaceuticals, and others, with a focus on the fields of dementia and oncology. The Tender Offeror's corporate philosophy is "human health care (*hhc*)" ("*hhc*"), under which, through its businesses, it gives first thought to patients and the people in the daily living domain, and increases the benefits (Note 1) that healthcare provides to them as well as meeting their diverse healthcare needs worldwide. In addition, in April 2021, the Tender Offeror formulated the medium-term business plan "EWAY Future & Beyond," with the vision of "supporting not only patients but also individual consumers to realize their fullest life," under which it is promoting the creation of new drugs, digital tools, and other solutions based on the Tender Offeror Group's strengths in the neurology and oncology fields. In addition, based on the *hhc* philosophy that it has been practicing for many years, the Tender Offeror will promote processes for understanding the anxieties of customers and resolving them by formulating strategies for their removal. In cooperation with other industries, local governments, academia, and others, it aims to realize an ecosystem called "*hhceco* (*hhc* philosophy + ecosystem)," through which it will provide solutions to remove various customer anxieties. In particular, in the field of dementia, the Tender Offeror has been involved in drug discovery and disease awareness activities for 40 years or more since starting research in 1983.

(Note1) According to the Tender Offeror, in the pharmaceutical industry, benefits refer to the improvement of symptoms, the cure of diseases, the reduction of physical and mental pain, the improvement of economic benefits by shortening the duration of treatment, and other positive impacts resulting from the use of pharmaceuticals.

On the other hand, the Company was established in November 2009, for the purpose of operating a home control business that enables the remote control of home appliances,

lighting, etc., using a single remote controller. In February 2014, the Company applied sensor fusion technology (Note 2) cultivated in the home control business and released a monitoring service for the elderly based on sleep analysis technology, and in April of the same year, the Company released "Life Rhythm Navi," which enables users to check the life rhythms of facility residents. In such ways, the Company has been developing its businesses, particularly the monitoring services businesses, and in July 2023, the Company's Shares were listed on the Tokyo Stock Exchange Growth Market.

The Company is developing AI and various other forms of software by applying the latest analysis technology to big data (Note 3) related to sleep and lifestyle habits obtained from various sensors to visualize feature values (Note 4), based on its management philosophy of "visualizing the present and the future and creating peace of mind for the next generation." In addition, as represented by the "Life Rhythm Navi Plus Doctor" (Note 5), the Company has implemented various types of AI (Note 6) that it has developed into solutions that are easy for customers to use, thus providing them as services that solve social issues by making them valuable.

(Note2) "Sensor fusion technology" refers to technology that combines sensors that capture spatial information and sensors that capture biological information, and automatically analyzes and synthesizes various data captured to output the results of assessments in real time.

(Note3) The Ministry of Internal Affairs and Communications defines "big data" as "data larger than typical database software can capture, store, manage, and analyze," and the Company treats continuous temporal data such as sleep, activity, temperature, and humidity for more than 30,000 users in total as big data.

(Note4) "Feature values" refer to values in the process of transforming data and extracting meaningful results that can be used. In order to efficiently output results from big data, it is important to find useful feature values, and this is an area that requires analysts' expertise and technology.

(Note5) "Life Rhythm Navi Plus Doctor" is an SaaS (Note 7)-type monitoring system for facilities for the elderly that utilizes sleep analysis technology and sensor fusion technology. By analyzing data from various sensors in the cloud and sending notifications to the terminals of nursing care staff, staff can identify the status of each room in real time. In addition to providing appropriate care tailored to each resident, this reduces unnecessary room visits to check the condition of residents and improves operational efficiency. In addition, "Life Rhythm Navi Plus Doctor" is a device that falls under the priority field of nursing care technology use, namely, monitoring and communication (at facilities), and is eligible for subsidies and grants from the national and local governments for its introduction (requirements for subsidies and grants vary by prefecture and municipality).

(Note6) "Various types of AI" refers to "AI that predicts dementia," "AI that predicts fatigue recovery," "AI that predicts life expectancy," etc., which are derived

by analyzing big data concerning sleep data and lifestyle habits to predict the transition of health conditions.

(Note7) “SaaS” is an abbreviation for Software as a Service, and refers to a type of service in which application functions are provided over the Internet.

The Company is mainly developing the Life Rhythm Navi business as a single segment, and has created the commissioned research and development business for its business portfolio. In the Life Rhythm Navi business, the Company provides an SaaS-type monitoring service by combining proprietary analysis technology based on high-density and long-term sleep data and vital data (Note 8) that the Company has accumulated through its business with medical knowledge, and sensor fusion technology, which the Company has excelled at since its founding. Meanwhile, in the commissioned research and development business, the Company operates a value creation business without business domain limitations, focusing on big data that has been continuously accumulated through the Life Rhythm Navi business, technology that visualizes and assigns value to big data, and AI that predicts changes in health conditions such as AI that predicts fatigue recovery and AI that predicts dementia, and has realized collaborations with partners in various fields, not only the nursing care and medical industries, but also housing-related businesses such as house manufacturers and developers, and clothing and bedding manufacturers.

(Note8) "Vital data" refers to basic data related to life, such as heart rate, respiration rate, and body movement data.

According to the Tender Offeror, the Tender Offeror is proceeding with business activities aimed at establishing a dementia platform (Note 9). Through the platform, the Tender Offeror aims to support the prevention and early detection of mild cognitive impairment (MCI) and dementia in healthy people and people at high risk before onset, and to support people living their own lives after the onset of dementia, not only through the provision of drugs, but also through other solutions (communication apps, exercise programs, etc.). The Tender Offeror believes that direct contact between the platform's core solutions (Note 10) and customers is important for the realization of this platform, and has been exploring collaboration with various companies that may have solutions and customer contact points that will contribute to the creation of the platform. Under these circumstances, the Tender Offeror felt that the Company's "Life Rhythm Navi" could become one of the core solutions of this platform, and with the aim of building an ecosystem in the field of dementia, which is a pressing issue in Japan's super-aged society, on July 24, 2024, the Tender Offeror and the Company concluded a business alliance agreement to promote initiatives such as a demonstration experiment to encourage residents of facilities for the elderly to notice changes in their cognitive functions, using the Company's "Life Rhythm Navi” and patented “dementia prediction model” technology, as well as the Tender Offeror's digital brain health check tool "NouKNOW"

(non-medical device), etc., and in the future, joint research for the early detection of mild cognitive impairment (MCI) and dementia among healthy elderly people, and studies of the applicability of the dementia prediction model in the home care field. Furthermore, based on the results of the demonstration experiment, in which a potential new medical flow for persons with mild cognitive impairment (MCI) and dementia through the intervention of nursing care staff at facilities was shown, and based on the belief that further collaboration with the Company can be expected to contribute to the prevention of mild cognitive impairment (MCI) and dementia and early medical examinations, the Tender Offeror began to consider a capital alliance in late August 2024.

(Note9) According to the Tender Offeror, the "Dementia Platform" is a proprietary initiative of the Tender Offeror to provide appropriate services, etc., for people who live an ordinary life (people who do not suffer from a disease) to persons with dementia and their families, based on collaboration between various industries and organizations and the utilization of data held by the Tender Offeror to solve dementia-related issues.

(Note10) According to the Tender Offeror, “core solutions” refer to core services of the Tender Offeror and partner companies that are important for customer contact points, and "Life Rhythm Navi" is the core solution of the Company.

According to the Tender Offeror, subsequently, in early October 2024, the Tender Offeror came to the conclusion that a capital alliance between the Tender Offeror and the Company would be a reasonable strategy to achieve further growth and enhance corporate value, and that prompt and flexible decision-making through the Tender Offeror making the Company a wholly-owned subsidiary would be necessary to create even more synergies. After this consideration, the Tender Offeror submitted an initial proposal to the Company on November 15, 2024 (the “Proposal”) expressing its intention to acquire the Company’s Shares with the assumption that it would make the Company a wholly-owned subsidiary through the tender offer and subsequent squeeze-out procedures.

According to the Tender Offeror, in parallel with the above process, the Tender Offeror appointed TMI Associates as its legal advisor independent from the Tender Offeror and the Company in mid-October 2024 and Nomura Securities Co., Ltd. (“Nomura Securities”) as its financial advisor independent from the Tender Offeror and the Company in mid-November 2024, in order to commence specific consideration of the Transaction.

According to the Tender Offeror, subsequently, from early December 2024 to late January 2025, the Tender Offeror Group conducted due diligence related to the Company's business, finance, taxation, legal affairs, and other matters, as well as interviews with the Company's senior management, and further analyzed and considered matters such as specific measures to create business synergies between the Tender Offeror Group and the Company, as well as management policies after the Tender Offeror makes the Company a wholly-owned subsidiary.

According to the Tender Offeror, as a result of this consideration, the Tender Offeror has concluded that the Transaction will provide the following synergies and benefits to the Tender Offeror and the Company. Furthermore, the Tender Offeror believes that although the measures to realize these synergies and benefits are expected to contribute to the growth and enhancement of the corporate value of the Company over the medium to long term, they may require considerable time and investment as well as reforms of existing businesses, causing a temporary decline in profit levels and cash flows. If the Company's Shares are not taken private, there is a concern that the market share price of the Company's Shares may be adversely affected in the short term, causing a disadvantage to minority shareholders of the Company. In addition, if the Company is not a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror will not be able to fully pursue these synergies, owing to restrictions on the mutual utilization of management resources, etc., the difficulty of adopting medium- to long-term strategic investments, and the time required for decision-making. Accordingly, the Tender Offeror believes that it will be essential to make the Company a wholly-owned subsidiary, in order to maximize the synergies and benefits.

(a) Spread and expansion of "Life Rhythm Navi Plus Doctor" utilizing the Tender Offeror's customer contact points

According to the Tender Offeror, the Tender Offeror believes that it will be possible to promote the spread and expansion of "Life Rhythm Navi Plus Doctor" utilizing the Tender Offeror's name recognition, to expand sales channels to hospitals nationwide that the Tender Offeror has built, and to expand sales channels to hospitals and facilities for the elderly managed by hospitals, through introductions to the senior management of group hospitals.

(b) Establishment of pathways to contribute to the prevention of mild cognitive impairment (MCI) and dementia and early medical examinations by utilizing the customer contact points of the Company (Note 11)

According to the Tender Offeror, the Tender Offeror believes that it will be possible to create pathways that will encourage visits by persons at risk to medical institutions by using the Company's dementia prediction AI and the Tender Offeror's "NouKNOW" on users of "Life Rhythm Navi Plus Doctor" to visualize risk. The Tender Offeror believes that the creation of such pathways throughout Japan will enhance the added value of the Company's "Life Rhythm Navi Plus Doctor," while also encouraging early examinations, diagnosis, and treatment among undiagnosed persons with MCI and dementia in Japan, thereby significantly expanding its contribution to such persons, while also contributing to an increased contribution to such persons through Alzheimer's dementia therapeutic products and other products developed by the Company.

(Note 11) According to the Tender Offeror, the "creation of pathways" refers to the creation of systems that contribute to prevention and early medical examinations.

(c) Expansion of contribution to the home care market with "Life Rhythm Navi" for home use (Note 12)

According to the Tender Offeror, the Tender Offeror is building a business for The People (Note 13), which refers not only to patients but also to living people, and the Tender Offeror intends to work together with the Company to develop and create a market centered on the Company's "Life Rhythm Navi" for home use. The Tender Offeror believes that leveraging the Tender Offeror's brand strength, capital strength, and contact points with physicians and local governments that provide home medical care will contribute to the expansion of "Life Rhythm Navi" for home use and improvement of quality of life (Note 14) of patients and their caregivers.

(Note 12) "Life Rhythm Navi for home use" is a service in which the expertise cultivated with "Life Rhythm Navi Plus Doctor" is optimized and deployed for the home care field, and it has functions such as identifying the user's sleep status and checking the indoor environment. In addition, "Life Rhythm Navi" is a device that falls under the priority field of nursing care technology use, namely, monitoring and communication (at home), and is eligible for subsidies and grants from the national and local governments for its introduction (requirements for subsidies and grants vary by prefecture and municipality).

(Note 13) According to the Tender Offeror, "The People" refers to living people including patients and people who are not suffering from any disease.

(Note 14) According to the Tender Offeror, "quality of life" refers to the quality of each person's life and livelihood, and is a measure of how well a person lives a humane life and finds happiness in life.

(d) Development and provision of new solutions and services utilizing accumulated data

According to the Tender Offeror, the Tender Offeror believes that by utilizing the data accumulated through the Company's "Life Rhythm Navi Plus Doctor" and the data accumulated through the Tender Offeror's *hhceco*, it will be possible to provide new services in fields related to multiple diseases, such as the development of new solutions that contribute to solving problems related to mild cognitive impairment (MCI) and dementia, and the development of solutions that use sleep data to contribute in insomnia, epilepsy, and so on. In addition, studies concerning the development of predictive models related to the onset and progression of various diseases are progressing rapidly, thanks in part to the contribution of AI. In the field of dementia, the Tender Offeror believes that it will be important to accumulate data obtained from daily life in addition to medical data, and to utilize this data for the development of next-generation drug discovery and conception of new treatment systems.

On the other hand, according to the Tender Offeror, the Tender Offeror also considered the disadvantages of implementing the Transaction. Since the Transaction is based on

the assumption that the Company's Shares will be delisted, the possibility of an impact on securing excellent human resources, expanding business partners, etc., enabled by the enhancement of the Company's social creditworthiness and name recognition, which it has enjoyed as a listed company, may generally be considered as a disadvantage. However, since the Company will be in the same group as the Tender Offeror Group and the Company will be able to acquire the social creditworthiness, etc., of the Tender Offeror Group, the Tender Offeror believes the disadvantages associated with the implementation of the Transaction for the Company will be limited, and the advantages of delisting the Company's Shares exceed the disadvantages.

According to the Tender Offeror, under these circumstances, the Tender Offeror comprehensively considered factors such as the results of analysis and due diligence based on the business plan (the "Business Plan") submitted by the Company for the ten-year period from the fiscal year ending October 2025 to the fiscal year ending October 2034. As a result, on February 12, 2025, the Tender Offeror proposed to the Company that the price for the purchase, etc., per Company's Shares (the "Tender Offer Price"), assuming that the Company does not pay an interim dividend for the fiscal year ending October 2025, will be 1,700 yen (the price with a premium of 10.39% added to the closing price of 1,540 yen of the Company's Shares on February 10, 2025, the business day immediately preceding the proposal date (the premium is rounded to the second decimal place; the same applies to the calculation of the premium rate below)), and that the price for the purchase, etc., per Share Acquisition Right (the "Share Acquisition Rights Purchase Price") will be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right, which will be 16,250 yen per Second Series Share Acquisition Right, 13,500 yen per Third Series Share Acquisition Right, 13,330 yen per Fourth Series Share Acquisition Right, and 7,560 yen per Fifth Series Share Acquisition Right.

According to the Tender Offeror, in response, on February 14, 2025, the Company and the Special Committee (as defined in "④ Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" below; the same applies hereinafter) responded with a request for the submission of another proposal for the Tender Offer Price, from the viewpoint of protecting the interests of the minority shareholders of the Company and fulfilling their accountability as the Company.

According to the Tender Offeror, in response, on February 19, 2025, the Tender Offeror proposed to the Company that the Tender Offer Price will be 1,950 yen (the price with a premium of 33.93% added to the closing price of 1,456 yen of the Company's Shares on February 18, 2025, the business day immediately preceding the proposal date), and that Share Acquisition Rights Purchase Price will be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right, which will be 18,750 yen per Second Series Share Acquisition Right, 16,000 yen per Third Series Share

Acquisition Right, 15,830 yen per Fourth Series Share Acquisition Right, and 10,060 yen per Fifth Series Share Acquisition Right.

According to the Tender Offeror, in response, the Tender Offeror received a response from the Company and the Special Committee on February 20, 2025 to request the Tender Offeror to re-propose the Tender Offer Price from the perspective of protecting the interests of the Company's minority shareholders and fulfilling accountability as the Company.

According to the Tender Offeror, in response, on February 27, 2025, the Tender Offeror proposed to the Company that the Tender Offer Price will be 2,080 yen (the price with a premium of 39.32% added to the closing price of 1,493 yen of the Company's Shares on February 26, 2025, the business day immediately preceding the proposal date, 25.64% added to the simple average closing price of 1,552 yen for the period of one month prior to the proposal date, 28.80% added to the simple average closing price of 1,514 yen for the period of three months prior to the proposal date, and 20.44% added to the simple average closing price of 1,619 yen for the period of six months prior to the proposal date), and that Share Acquisition Rights Purchase Price will be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right, which will be 20,050 yen per Second Series Share Acquisition Right, 17,300 yen per Third Series Share Acquisition Right, 17,130 yen per Fourth Series Share Acquisition Right, and 11,360 yen per Fifth Series Share Acquisition Right.

According to the Tender Offeror, in response, the Tender Offeror received a response from the Company and the Special Committee on February 28, 2025 to request the Tender Offeror to re-propose the Tender Offer Price from the perspective of protecting the interests of the Company's minority shareholders and fulfilling accountability as the Company.

According to the Tender Offeror, in response, on March 6, 2025, the Tender Offeror proposed to the Company that the Tender Offer Price will be 2,150 yen (the price with a premium of 36.51% added to the closing price of 1,575 yen of the Company's Shares on March 5, 2025, the business day immediately preceding the proposal date, 25.64% added to the simple average closing price of 1,552 yen for the period of one month prior to the proposal date, 28.80% added to the simple average closing price of 1,514 yen for the period of three months prior to the proposal date, and 20.44% added to the simple average closing price of 1,619 yen for the period of six months prior to the proposal date), and that Share Acquisition Rights Purchase Price will be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right, which will be 20,750 yen per Second Series Share Acquisition Right, 18,000 yen per Third Series Share Acquisition Right, 17,830 yen per Fourth Series Share Acquisition Right, and 12,060 yen per Fifth Series Share Acquisition Right.

According to the Tender Offeror, in response, the Tender Offeror received a proposal from the Company and the Special Committee on March 7, 2025 that the Tender Offer Price should be 2,250 yen from the perspective of protecting the interests of the Company's minority shareholders and fulfilling accountability as the Company.

According to the Tender Offeror, in response, on March 10, 2025, the Tender Offeror proposed to the Company that the Tender Offer Price will be 2,190 yen (the price with a premium of 44.55% added to the closing price of 1,515 yen of the Company's Shares on March 7, 2025, the business day immediately preceding the proposal date, 25.64% added to the simple average closing price of 1,552 yen for the period of one month prior to the proposal date, 28.80% added to the simple average closing price of 1,514 yen for the period of three months prior to the proposal date, and 20.44% added to the simple average closing price of 1,619 yen for the period of six months prior to the proposal date), and that Share Acquisition Rights Purchase Price will be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right, which will be 21,150 yen per Second Series Share Acquisition Right, 18,400 yen per Third Series Share Acquisition Right, 18,230 yen per Fourth Series Share Acquisition Right, and 12,460 yen per Fifth Series Share Acquisition Right.

According to the Tender Offeror, in response, the Tender Offeror received a response from the Company and the Special Committee on March 11, 2025 that the Company and the Special Committee accept the proposal from the Tender Offeror on the assumption that the board meeting of the Company to be held on March 14, 2025 approves the proposed price.

As a result of the above considerations, discussions, and negotiations, the Tender Offeror and the Company reached an agreement on the Tender Offer Price of 2,190 yen, and the Tender Offeror decided to conduct the Tender Offer as part of the Transaction on March 14, 2025.

③ Management policy after the Tender Offer

According to the Tender Offeror, regarding the management policy after the Tender Offer is completed, the Tender Offeror intends to take measures to realize each synergy described in "② Background to, and objectives of and decision-making process leading to the Tender Offeror's decision to implement the Tender Offer" above, mainly as specific measures of the management strategy to enhance the corporate value of the Company. However, the specific details and methods will be determined through discussions with the Company, while respecting the autonomy of the Company's business operations.

According to the Tender Offeror, with regard to the management structure and composition of the board of directors of the Company after the Tender Offer, including whether or not officers will be dispatched and other personnel matters, as of the date of this release, there are no matters agreed upon with the Company with regard to the

management policy after the Transaction. However, it is expected that the Tender Offeror Group will dispatch officers to the Company and maintain treatment of the Company's employees.

According to the Tender Offeror, the Tender Offeror intends to manage the Company by fully utilizing the characteristics and strengths of the Company's business, to strengthen the Company's business, and to create a structure that can realize maximum synergy effects with the Tender Offeror, with the aim of further increasing the corporate value of both companies.

The capital relationship with Hulic and that with TOKYO GAS will be dissolved as a result of the execution of the Tender Offer, and the business alliance with TOKYO GAS will be dissolved. However, the Company anticipates to maintain business alliance with Hulic even after the Tender Offer.

④ Decision-making process leading to and reasons for the Company’s opinion in favor of the Tender Offer

As described in "② Background to, and objectives of and decision-making process leading to the Tender Offeror’s decision to implement the Tender Offer" above, the Company received the Proposal from the Tender Offeror on November 15, 2024, and therefore commenced specific consideration of the Transaction.

As described in "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below, in the Transaction, it is assumed that general shareholders of the Company will ultimately be squeezed out in exchange for money, and therefore, the appropriateness of the transaction terms is thought to be particularly important for the interests of the Company’s shareholders. Accordingly, in order to eliminate arbitrariness in the decision-making process for the Transaction and ensure fairness, transparency, and objectivity, at a meeting of the board of directors of the Company held on November 20, 2024, the Company resolved to appoint Trustees Advisory Co., Ltd. (“Trustees”) as a financial advisor and third-party valuation institution independent of the Tender Offeror, the Company, and the Consenting Shareholders, and City-Yuwa Partners as a legal advisor independent of the Tender Offeror, the Company, and the Consenting Shareholders with regard to the Transaction, and also to establish a special committee consisting of members independent of the Tender Offeror, the Company, and the Consenting Shareholders (the following three persons: Kazuma Doi (certified public accountant and certified public tax accountant), who is an outside director and independent officer of the Company; Masaaki Suda (certified public accountant), who is an outside audit & supervisory board member and independent officer of the Company; and Hiroyasu Sato (attorney), who is an outside audit & supervisory board member and independent officer of the Company) (the “Special Committee”; for information about the specific activities, etc., of the Special Committee, please refer to “(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest”, “③ Establishment

of independent special committee and acquisition of findings report from the Special Committee on the Company" below), and in this way, the Company created a system for considering the Transaction.

Under the above system, taking into consideration the outline of the Tender Offer, including the purpose of the Transaction, the impact of the Transaction on the Company, the details of management policies after the Transaction, and current trends in the share price, the Company shared the Tender Offer Price and the Share Acquisition Rights Purchase Price proposals received from the Tender Offeror with the Special Committee in a timely manner, and from the viewpoint of giving consideration to the interests of the general shareholders of the Company, based on the opinions, instructions, and requests from the Special Committee regarding the Company's negotiation policy, the Company held fifth rounds of discussions and negotiations with the Tender Offeror lasting until mid-March 2025, while receiving advice from Trustees and City-Yuwa Partners as follows.

Specifically, on January 8, 2025, the Company interviewed the Tender Offeror through the Special Committee, when it received explanations and asked questions regarding matters such as the consideration process that led to the proposal for the Transaction, the details of measures expected after the Transaction, the details and extent of the benefits, disadvantages, and other effects expected from the Transaction, and the Company's management policies expected after the Transaction. Based on this, the Company commenced discussions and negotiations with the Tender Offeror concerning the terms and conditions of the Transaction, including the Tender Offer Price and the Share Acquisition Rights Purchase Price, from early February 2025, while also continuing to examine whether the Transaction will contribute to the enhancement of the corporate value of the Company.

In other words, on February 12, 2025, the Company received a proposal from the Tender Offeror that, assuming that the Company does not pay an interim dividend for the fiscal year ending October 2025, the Tender Offer Price will be 1,700 yen (the price with a premium of 10.39% added to the closing price of 1,540 yen of the Company's Shares on February 10, 2025, the business day immediately preceding the proposal date, 10.89% added to the simple average closing price of 1,533 yen for the period of one month prior to the proposal date (rounded to the nearest whole number; the same applies to the calculation of the simple average closing price below), 11.55% added to the simple average closing price of 1,524 yen for the period of three months prior to the proposal date, and 4.62% added to the simple average closing price of 1,625 yen for the period of six months prior to the proposal date), and that the Share Acquisition Rights Purchase Price will be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right, which will be 16,250 yen per Second Series Share Acquisition Right, 13,500 yen per Third Series Share Acquisition Right, 13,330 yen per Fourth Series Share Acquisition Right, and 7,560 yen per Fifth Series Share Acquisition Right.

In response, on February 14, 2025, the Company and the Special Committee requested the Tender Offeror to re-propose the Tender Offer Price from the perspective of protecting the interests of the Company's minority shareholders and fulfilling accountability as the Company.

Subsequently, on February 19, 2025, the Company received a proposal from the Tender Offeror to increase the Tender Offer Price to 1,950 yen (the price with a premium of 33.93% added to the closing price of 1,456 yen of the Company's Shares on February 18, 2025, the business day immediately preceding the proposal date, 25.64% added to the simple average closing price of 1,552 yen for the period of one month prior to the proposal date, 28.80% added to the simple average closing price of 1,514 yen for the period of three months prior to the proposal date, and 20.44% added to the simple average closing price of 1,619 yen for the period of six months prior to the proposal date), and to increase the Share Acquisition Rights Purchase Price to the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right, which will be 18,750 yen per Second Series Share Acquisition Right, 16,000 yen per Third Series Share Acquisition Right, 15,830 yen per Fourth Series Share Acquisition Right, and 10,060 yen per Fifth Series Share Acquisition Right.

In response, on February 20, 2025, the Company requested the Tender Offeror to re-propose the Tender Offer Price from the perspective of protecting the interests of the Company's minority shareholders and fulfilling accountability as the Company.

Subsequently, on February 27, 2025, the Company received a proposal from the Tender Offeror to increase the Tender Offer Price to 2,080 yen (the price with a premium of 39.32% added to the closing price of 1,493 yen of the Company's Shares on February 26, 2025, the business day immediately preceding the proposal date, 35.15% added to the simple average closing price of 1,539 yen for the period of one month prior to the proposal date, 38.57% added to the simple average closing price of 1,501 yen for the period of three months prior to the proposal date, and 29.43% added to the simple average closing price of 1,607 yen for the period of six months prior to the proposal date), and to increase Share Acquisition Rights Purchase Price to the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right, which will be 20,050 yen per Second Series Share Acquisition Right, 17,300 yen per Third Series Share Acquisition Right, 17,130 yen per Fourth Series Share Acquisition Right, and 11,360 yen per Fifth Series Share Acquisition Right.

In response, on February 28, 2025, the Company requested the Tender Offeror to re-propose the Tender Offer Price from the perspective of protecting the interests of the Company's minority shareholders and fulfilling accountability as the Company.

Subsequently, on March 6, 2025, the Company received a proposal from the Tender Offeror to increase the Tender Offer Price to 2,150 yen (the price with a premium of

36.51% added to the closing price of 1,575 yen of the Company's Shares on March 5, 2025, the business day immediately preceding the proposal date, 42.95% added to the simple average closing price of 1,504 yen for the period of one month prior to the proposal date, 43.43% added to the simple average closing price of 1,499 yen for the period of three months prior to the proposal date, and 34.88% added to the simple average closing price of 1,594 yen for the period of six months prior to the proposal date), and to increase Share Acquisition Rights Purchase Price to the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right, which will be 20,750 yen per Second Series Share Acquisition Right, 18,000 yen per Third Series Share Acquisition Right, 17,830 yen per Fourth Series Share Acquisition Right, and 12,060 yen per Fifth Series Share Acquisition Right.

In response, on March 7, 2025, the Company proposed to the Tender Offeror that the Tender Offer Price should be 2,250 yen from the perspective of protecting the interests of the Company's minority shareholders and fulfilling accountability as the Company.

Subsequently, on March 10, 2025, the Company received a proposal from the Tender Offeror to increase the Tender Offer Price to 2,190 yen (the price with a premium of 44.55% added to the closing price of 1,515 yen of the Company's Shares on March 7, 2025, the business day immediately preceding the proposal date, 45.32% added to the simple average closing price of 1,507 yen for the period of one month prior to the proposal date, 46.00% added to the simple average closing price of 1,500 yen for the period of three months prior to the proposal date, and 37.65% added to the simple average closing price of 1,591 yen for the period of six months prior to the proposal date), and to increase Share Acquisition Rights Purchase Price will be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right, which will be 21,150 yen per Second Series Share Acquisition Right, 18,400 yen per Third Series Share Acquisition Right, 18,230 yen per Fourth Series Share Acquisition Right, and 12,460 yen per Fifth Series Share Acquisition Right.

In response, on March 11, 2025, the Company responded to the Tender Offeror that the Company accepts the proposal of the Tender Offeror proposed by the Tender Offeror on the assumption that the final decision-making would be done by the board meeting of the Company to be held on March 14, 2025.

In addition, the Company received necessary legal advice from City-Yuwa Partners, its legal advisor, on the decision-making method and process of the Company's board of directors, including various procedures related to the Transaction and other points to keep in mind, and also received a report dated March 13, 2025 (the "Report") from the Special Committee (for an outline of the Report, please refer to "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender

Offer Price and to avoid conflicts of interest", "③ Establishment of independent special committee and acquisition of findings report from the Special Committee on the Company" below). Subsequently, based on the content of the legal advice the Company received from City-Yuwa Partners, its legal advisor, and a share valuation report acquired from Trustees, a third-party valuation institution, dated March 13, 2025 (the "Share Valuation Report (Trustees)"; please note that , the Company has not obtained a valuation report from the third-party valuation institution concerning the value of the Share Acquisition Rights because the Share Acquisition Rights Purchase Price is determined based on the Tender Offer Price, as the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right multiplied by the number of shares underlying each Share Acquisition Right.), the Company carefully discussed and considered matters such as whether the Transaction could enhance the corporate value of the Company and whether the terms and conditions of the Transaction, including the Tender Offer Price and the Share Acquisition Rights Purchase Price, were appropriate, while respecting the contents of the Report submitted by the Special Committee to the maximum extent.

As a result, the Company concluded that, based on the following points, etc., the Company becoming a wholly-owned subsidiary of the Tender Offeror through the Transaction would contribute to the enhancement of the corporate value of the Company.

(a) Expansion in sales of "Life Rhythm Navi Plus Doctor" to medical institutions or nursing facilities, etc., belonging to the same corporation as the medical institutions

In light of the nature of the business of the Tender Offeror, the Company believes that the Tender Offeror has sales channels across Japan that the Company does not have, and that can be used to expand sales to medical institutions or nursing facilities, etc., belonging to the same corporation as the medical institution. The Company believes that, when expanding sales of "Life Rhythm Navi Plus Doctor" to medical institutions, etc., nationwide in the future, it will be possible to expand sales to medical institutions, etc., by utilizing the name recognition and sales channels of the Tender Offeror.

(b) Expansion in sales of "Life Rhythm Navi" for home use

The Company believes that applying the Company's dementia prediction AI to elderly people living alone (including those requiring long-term care) and suggesting the possibility of cognitive decline to the elderly people and their families will enable an early response. By using the Tender Offeror's name recognition and brand power to advertise and promote these efforts, the Company believes that the Tender Offeror will be able to develop the home-related market more efficiently than the Company itself.

(c) Reduction in burden from delisting

By making the Company a wholly-owned subsidiary of the Tender Offeror and delisting the Company's Shares, the Company believes that it will be possible to

reduce the human and economic costs necessary to maintain the listing of the shares, facilitating the more effective use of management resources.

If the Transaction was limited to a capital alliance between the Company and the Tender Offeror that maintained the listing of the Company's Shares, the Company would be required to conduct independent management that takes into consideration the interests of general shareholders as a listed company, the Tender Offeror would not be able to receive a 100% return on its investment in the Company, and this would make it difficult for both parties to fully share management resources. Therefore, the Company believes that limits would be imposed on the realization of the above synergies. Therefore, in order to maximize synergies with the Tender Offeror Group, the Company believes that it and the Tender Offeror becoming a wholly-owned subsidiary and parent company is the optimal method for aligning the interests of both parties.

On the other hand, as a demerit of delisting, it may generally be considered as a disadvantage that the Company will not be able to procure funds from the capital market and will not be able to obtain the benefits that it has enjoyed as a listed company, such as the improvement of its name recognition and social credibility. However, the Company does not plan to procure funds from the market for the time being, and can also expect to receive financing, etc., from the Tender Offeror Group. Furthermore, the Tender Offeror, as a company whose shares are listed on the Tokyo Stock Exchange, Prime Market, is considered to have sufficient name recognition and brand power, and the participation of the Company in the Tender Offeror Group will in fact contribute to the improvement of the name recognition and brand power of the Company. Therefore, delisting is not expected to cause any particular concern in terms of the social credibility of the Company, and the Company thus does not expect the delisting of the Company's Shares to result in any particular disadvantage. In addition, as stated above, becoming a wholly-owned subsidiary of the Tender Offeror is expected to improve the name recognition and brand power of the Company and contribute to the expansion of sales of the Company's products, and the Company does not anticipate any disadvantages or dis-synergies from becoming a wholly-owned subsidiary of the Tender Offeror, such as the reduction of business partners.

The Company has analyzed the demand and mindset of target customers of "Life Rhythm Navi", who think that nursing care continues for several decades and want to use monitoring services which are provided by a company reliable for a long time from the past. In order to respond to such demands and mindset, the Company began considering to become a listed company in 2021, and have been creating an organizational structure to become a listed company, formulating a rational business plan, developing and operating a corporate governance and internal control system, developing an auditing system, and hiring personnel accordingly. In July 2023, the Company's Shares were listed on the Tokyo Stock Exchange Growth Market, and the Company has continued its business activities as a listed company. As a result of the continued business activities as a listed company, the Company has been able to meet

the demands and mindset of such target customers, and in comparison with its competitors who are well-known and influential, the Company has been able to become a candidate for potential customers when they consider introducing nursing care DX (Note 1, 2), and the Company believes that it has achieved the purpose of listing its shares to a certain degree. On the other hand, the Company recognizes that, in the nursing care industry, there is a custom that "nursing care is something to be handled by human hands"; the population of nursing care providers is aging; due to the low level of diffusion and awareness of ICT and IoT, people are cautious about introducing these technologies; and as a result, these are a barrier to the expansion of DX. Under such circumstances, the Company believes that it will be difficult to quickly develop new customers at home and at hospitals through the efforts of the Company on its own, and therefore, in order to achieve further growth in the Life Rhythm Navi business promptly, becoming a wholly owned subsidiary of the Tender Offeror, which, as described above, has nationwide sales channels to expand sales to medical institutions or nursing facilities, etc., belonging to the same corporation as the medical institution and has name recognition and social credibility as a pharmaceutical company that is not only conduct drug discovery and disease awareness activities as a pioneer in the field of dementia, but also globally engaged in research and development, manufacturing, and sales, mainly of ethical pharmaceuticals, will contribute to the enhancement of the corporate value of the Company, rather than maintaining the Company's listing and pursuing growth on its own even if the Company will delist its shares.

As stated in "(3) Announcement of "Notice of Dissolution of Business Alliance" in "10. Other Information" below, the business alliance with TOKYO GAS will be dissolved at the same time as the Tender Offer, but the dissolution of the business alliance is not related to the execution of the Transaction. The Company does not expect any impact on its business due to the dissolution of the business alliance with TOKYO GAS because the Company plans to continue developing "Life Rhythm Navi + HOME" which TOKYO GAS provided as a service for home users even after the dissolution of the business alliance. In addition, the capital relationship with Hulic will be dissolved as a result of the execution of the Tender Offer, but there are no plans to change Hulic's "Smart Senior Housing Concept" or the cooperative framework with Hulic after the completion of the Transaction, and the Company does not anticipate any impact on its business as a result of the dissolution of the capital relationship with Hulic.

(Note1) "DX" is an abbreviation of Digital Transformation and refers to change of the shape and style of business, society and life through digital technology.

(Note2) "Nursing care DX" refers to introduction of ICT equipment and services into the nursing care field to improve operational efficiency and productivity.

Furthermore, in light of the following points, etc., the Company has determined that the Tender Offer Price (2,190 yen), the Share Acquisition Rights Purchase Price (21,150 yen per Second Series Share Acquisition Right, 18,400 yen per Third Series Share Acquisition Right, 18,230 yen per Fourth Series Share Acquisition Right, and 12,460

yen per Fifth Series Share Acquisition Right), and other terms and conditions of the Tender Offer are appropriate for the shareholders and the Share Acquisition Rights Holders of the Company, and that the Tender Offer will provide the shareholders and the Share Acquisition Rights Holders of the Company with a reasonable opportunity to sell their shares and the Share Acquisition Rights.

(a) The Tender Offer Price is above upper limit of price range based on the market price method and the comparable public company comparison method, and is also above median of price range based on the discounted cash flow method ("DCF method") and is close to the upper limit of the price range, among the results of the calculation of the value of the Company's Shares by Trustees, as described in "(3) Matters regarding calculation" below.

(b) The Tender Offer Price is the price at which a premium has been added of 31.61% against the closing price of 1,664 yen of the Company's Shares on the Tokyo Stock Exchange Growth Market on March 13, 2025, the business day immediately preceding the announcement date of the Tender Offer, 43.80% against the simple average closing price of 1,523 yen for the period of one month preceding March 13, 2025, 45.81% against the simple average closing price of 1,502 yen for the period of three months preceding this date, and 38.08% against the simple average closing price of 1,586 yen for the period of six months preceding this date, and compared with the median (Note 3) of the premium ratios in similar transactions involving other companies, the premium ratio to the closing price on the business day before the announcement date and the simple average closing price for the most recent six months is lower than the premium ratio in similar cases of other companies, but the premium ratio to the simple average closing price for the most recent one month and the simple average closing price for the most recent three months are higher than the premium ratio in similar cases of other companies, so a certain level of reasonableness is recognized in comparison with premium percentages in similar cases of other companies..

(Note 3) As a result of referring to the premium ratio in 59 cases of tender offers where it was assumed the acquired company would be delisted, excluding management buyouts (MBO) (Note 4), acquisitions of subsidiaries and affiliates by parent companies, and acquisitions between sibling companies and also excluding unsuccessful cases, discounted tender offer cases, and two-step tender offer transactions, announced during the period from June 28, 2019, when the Ministry of Economy, Trade and Industry announced the "Fair M&A Guidelines, " to February 28, 2025, the median premiums to the closing price on the business day prior to the announcement date and the simple average of the closing prices for the preceding period of one month, the preceding period of three months, and the preceding period of six months were

37.48%, 36.90%, 42.34%, and 46.36%, respectively.

(Note 4) The term "management buyout (MBO)" generally refers to a transaction in which the management of the company to be acquired contribute all or part of the funds for the acquisition and acquire the shares of the company to be acquired on the assumption that the company to be acquired will continue to operate its businesses.

(c) Although the Tender Offer Price is below the highest price of the Company's Shares since listing (3,725 yen on August 1, 2023), the market share price of the Company's Shares has been relatively volatile during the year immediately after listing, and the highest price since listing was recorded during that period. The market share price of the Company's Shares has tended to stabilize on and after the one-year anniversary of our listing (July 26, 2024) in comparison to before that date, but in light of our P/B ratio of over three times as of March 13, 2025, the market share price of the Company's Shares on the Tokyo Stock Exchange Growth Market remains constant even after the one-year anniversary date. The Tender Offer Price is above the closing price of the Company's Shares on the Tokyo Stock Exchange Growth Market (the highest closing price was 2,148 yen, the closing price on July 26, 2024) after one year has passed since the listing of the Company's Shares. At least in comparison with the recent trends and conditions of the Company's Share price, the Tender Offer Price is not low. On the other hand, taking into consideration the fact that the Tender Offer Price can be evaluated as appropriately reflecting the intrinsic value because the Company can realize in terms of the price is above the median and close to the upper limit of the calculation results based on the DCF method by the Company's third-party valuation institution, as stated above, the Tender Offer Price is a reasonable level from the perspective of protecting minority shareholders of the Company.

(d) The fact that the Share Acquisition Rights Purchase Price is calculated based on the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company’s Shares underlying each Share Acquisition Right by the number of the Company’s Shares underlying each Share Acquisition Right (10 for Second Series Share Acquisition Rights, 10 for Third Series Share Acquisition Rights, 10 for Fourth Series Share Acquisition Rights, and 10 for Fifth Series Share Acquisition Rights).

(e) It is recognized that the interests of the general shareholders of the Company are being taken into consideration, such the adoption of measures to ensure the fairness of the Tender Offer, as described in "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest " below.

(f) The Tender Offer Price is a price that has been determined through sincere and continuous discussions and negotiations between the Company and the Tender Offeror, after the adoption of measures to ensure the fairness of the Tender Offer described above.

(g) The Special Committee has received reports on the status of negotiations from the Company in a timely manner, and has been substantially involved in the process of negotiating the terms and conditions of the Transaction, including the provision of opinions, instructions, requests, etc., on the Company's negotiation policy, and the Report expresses an opinion to the effect that the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate in light of the interests of the general shareholders of the Company, as described in "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest", "③ Establishment of independent special committee and acquisition of findings report from the Special Committee on the Company" below.

The Company's Shares were listed on the Tokyo Stock Exchange Growth Market in July 2023, and the Company has made a decision to support the Transaction, which entails delisting of its shares approximately one year and eight months after listing. In this regard, as stated above, through the Transaction, the Company can use the extensive sales channels of the Tender Offeror, a pharmaceutical company that is not only conduct drug discovery and disease awareness activities as a pioneer in the field of dementia, but also globally engaged in research and development, manufacturing, and sales, mainly of ethical pharmaceuticals, and this leads to expand the Company's customer base promptly and to greatly accelerate the spread of "Life Rhythm Navi" to hospitals and other medical institutions, which is the Company's goal. This will be possible by taking the Company's Shares private and making the Company a member of the Tender Offeror's Group, and therefore, regardless of the period after the listing of the Company's Shares, the Company has determined that receiving the proposal for the Transaction from the Tender Offeror will contribute to the improvement of the Company's corporate value, and has reached the decision to support the implementation of the Transaction. In addition, since the Transaction is expected to enhance the corporate value of the Company and the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable for the Company's shareholders as described above, the Tender Offer is expected to provide the Company's shareholders with a reasonable opportunity to sell their shares regardless of the period after the listing of the Company's shares.

Based on the above, at a board meeting of the Company held on March 14, 2025, the Company resolved to express an opinion of support for the Tender Offer and to recommend that shareholders and Share Acquisition Rights Holders of the Company tender their shares and Share Acquisition Rights in the Tender Offer. For details of the method of resolution at the above meeting of the board of directors, please refer to "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest", "⑤ Approval of all of the Company's directors who have no conflicts of interest and opinion without objection of all of the Company's audit & supervisory board members who have no

conflicts of interest" below.

(3) Matters regarding calculation

① Name of the valuation institution and its relationship with the Company and the Tender Offeror

In rendering its opinion regarding the Tender Offer, in order to eliminate arbitrariness in the decision-making process with respect to the Tender Offer Price presented by the Tender Offeror and to ensure the fairness of the Tender Offer Price, the Company requested Trustees to calculate the Company's Share value as a third-party valuation institution independent of the Tender Offeror, the Company, and the Consenting Shareholders, and obtained the Share Valuation Report (Trustees) on March 13, 2025.

Trustees is not a related party of the Tender Offeror, the Company, and the Consenting Shareholders and does not have any material interest with respect to the Transaction including the Tender Offer. The remuneration payable to Trustees in connection with the Transaction are only a fixed remuneration that will be paid regardless of whether the Transaction is concluded or not and does not include a contingency fee to be paid contingent on the conclusion of the Transaction. In addition, at its first meeting held on December 4, 2024, the Special Committee approved the appointment of Trustees as financial advisors and third-party calculation agents of the Company, after confirming that there are no particular problems with their independence.

② Summary of calculation

(a) Common stock

As a result of the examination of the calculation methods for the Tender Offer, and based on the belief that it was appropriate to evaluate the Company's Shares from various angles, with the assumption that the Company will continue as a going concern, Trustees adopted the market price method as a calculation method because the Company's Shares are listed on a financial instruments exchange, the comparable public company comparison method because there are multiple listed companies engaged in relatively similar businesses to the Company and it is possible to infer the value of the shares by comparing them with similar companies, and the DCF method to reflect the status of the Company's future business activities in the calculation. On the other hand, the net asset method has not been adopted because the Company intends to continue its businesses as a going concern. As mentioned in "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below, since the Tender Offeror and the Company have implemented measures to ensure the

fairness of the Tender Offer and to avoid conflicts of interest, and the Company thus believes that the interests of the Company's general shareholders have been taken into consideration, the Company has not obtained an opinion on the fairness of the Tender Offer Price from Trustees (fairness opinion).

According to Trustees, the range for the share value per Company's Shares calculated based on each of the above methods are as follows.

Market price method	: 1,502 yen to 1,664 yen
Comparable public company comparison method	: 1,036 yen to 1,158 yen
DCF method	: 1,812 yen to 2,286 yen

With the market price method, the range of the share value per Company's Shares is calculated to be from 1,502 yen to 1,664 yen, based on the closing price of the Company's Shares on the Tokyo Stock Exchange Growth Market on the record date of 1,664 yen, the simple average closing price for the period of one month preceding this date of 1,523 yen, the simple average closing price for the period of three months preceding this date of 1,502 yen, and the simple average closing price for the period of six months preceding this date of 1,586 yen, with March 13, 2025, the business day immediately preceding the date of the resolution of the board of directors of the Company regarding the expression of an opinion on the Tender Offer, as the calculation record date.

With the comparable public company comparison method, the share value per Company's Shares is calculated to be from 1,036 yen to 1,158 yen, based on a calculation of the share value of the Company's Shares by comparing the market share prices and financial statements, which indicate profitability, of listed companies engaged in businesses relatively similar to those of the Company.

With the DCF method, the share value per Company's Shares is calculated to from 1,812 yen to 2,286 yen, based on a calculation of the corporate value and share value of the Company by discounting the free cash flow expected to be generated by the Company in and after the fiscal year ending October 2025 to its present value at a certain discount rate, based on assumptions from the financial forecasts in the Business Plan, information available to the general public, and other factors. The financial forecasts based on the Business Plan include any fiscal year in which a significant increase or decrease in profit is expected. Specifically, due to a decrease in capital investment, free cash flow is expected to increase significantly by 142 million yen (- (because free cash flow in the previous year is negative)) in the fiscal year ending October 31, 2025. In addition, a significant decrease in operating income of 184 million yen (36.6% decrease from the previous year) is expected temporarily in the fiscal year ending October 31, 2026 due to the introduction and development of flexible sales strategies to adapt to changes in the competitive environment, but the realization of the results of the sales strategies is expected to lead to a significant increase in sales amount of 658 million yen (41.4% increase

from the previous year), a significant increase in operating income of 357 million yen (111.9% increase from the previous year), and a significant increase in free cash flow of 119 million yen (71.6% increase from the previous year) in the fiscal year ending October 31, 2027; and a significant increase in operating income of 372 million yen (55.0% increase from the previous year) and a significant increase in free cash flow of 239 million yen (83.6% increase from the previous year) in the fiscal year ending October 31, 2028. In the fiscal year ending October 31, 2029, a significant decrease in operating income of 418 million yen (39.9% decrease from the previous year) and a significant decrease in free cash flow of 538 million yen (102.5% decrease from the previous year) are expected temporarily due to the introduction of measures and capital expenditures aimed at expanding market share and strengthening brand position for further growth. However, because of the realization of the results of these measures, a significant increase in free cash flow of 345 million yen in the fiscal year ending October 31, 2030 (- (because free cash flow in the previous year is negative)) and a significant increase in operating income and free cash flow in the fiscal years ending October 31, 2031 through October 31, 2034 are expected respectively. In addition, the synergies expected to be realized from the execution of the Transaction are not included in these financial forecasts and therefore are not included in the calculation by Trustees based on these financial forecasts, because they are difficult to estimate specifically at this point. Furthermore, the Special Committee has held a question-and-answer session with the Company regarding matters such as the content of the financial forecasts and the background to their preparation, and has confirmed that there are no unreasonable points in light of the interests of the Company's general shareholders.

(Note) When calculating the value of the Company's Shares, Trustees, in principle, used the information provided by the Company, information available to the general public, etc., as is, and made assumptions such as all such materials and information being accurate and complete, and that there are no facts that could have a material impact on the analysis and calculation of the Tender Offer Price that have not been disclosed to Trustees, and has not independently verified the accuracy of such materials and information. In addition, Trustees assumed that the information related to the Company's financial forecasts was reasonably prepared based on the best forecasts and judgment by the management of the Company at this point in time, and that the Company's management has carefully reviewed the information and approved its use in the valuation by Trustees. In addition, it has not conducted its own valuation and assessment of the assets and liabilities (including off-book assets and liabilities and other contingent liabilities) of the Company and its affiliated companies, nor has it requested a third-party institution to conduct such an appraisal or assessment. Trustees' calculations reflect the above information as of March 13, 2025.

(b) Share Acquisition Rights

The purchase price for the Share Acquisition Rights is calculated based on the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right (10 for Second Series Share Acquisition Rights, 10 for Third Series Share Acquisition Rights, 10 for Fourth Series Share Acquisition Rights, and 10 for Fifth Series Share Acquisition Rights). Accordingly, the Company has judged that the Tender Offer will provide the Share Acquisition Rights Holders with a reasonable opportunity to sell the Share Acquisition Rights. The approval of the board of directors of the Company is required for the acquisition of any Share Acquisition Rights by transfer. However, in order to enable the transfer of the Share Acquisition Rights, the Company, at a meeting of its board of directors held on March 14, 2025, passed a resolution to the effect that, subject to the Tender Offer taking effect, the Company will comprehensively approve the transfer of the Share Acquisition Rights held by the Share Acquisition Rights Holders to the Tender Offeror through their tender in the Tender Offer, provided they are actually tendered by the Share Acquisition Rights Holders in the Tender Offer, and will amend the content of the share acquisition rights allotment agreement pertaining to the Share Acquisition Rights to allow the transfer of the Share Acquisition Rights with Share Acquisition Rights Holders that wish to transfer their Share Acquisition Rights. The Company has not obtained a valuation report from a third-party valuation institution since the Share Acquisition Rights Purchase Price has been calculated based on the Tender Offer Price.

(4) Policy on organizational restructuring, etc. after the Tender Offer (matters related to the so-called two-tier takeover strategy)

As described in "(2) Grounds and reasons of the opinion", "① Overview of the Tender Offer" above, according to the Tender Offeror, if the Tender Offeror is unable to acquire all of the Company's Shares (excluding treasury shares owned by the Company) through the Tender Offer, after the consummation of the Tender Offer, the Company heard that the Tender Offeror plans to implement the Squeeze-Out Procedures with the intention of making the Company's Shares private by making the Tender Offeror the only shareholder of the Company, in the method below.

① Demand for cash-out shares, etc.

According to the Tender Offeror, upon the Tender Offer taking effect, if the total number of voting rights of the Company held by the Tender Offeror is 90% or more of the number of voting rights of all shareholders of the Company, and the Tender Offeror becomes a special controlling shareholder as provided for in Article 179, paragraph (1) of the Companies Act, then promptly after the completion of settlement for the Tender Offer, pursuant to the provisions of Part II, Chapter II, Section 4-2 of the Companies

Act, the Tender Offeror plans to demand that all shareholders of the Company (excluding the Tender Offeror and the Company) who did not tender their shares in the Tender Offer (the "Shareholders Subject to Cash-Out") sell all Company's Shares that they hold ("demand to cash out shares") and also demand that all Share Acquisition Rights Holders (excluding the Tender Offeror) (the "Share Acquisition Rights Holders Subject to Cash-Out") sell all Share Acquisition Rights that they hold ("demand to cash out Share Acquisition Rights," and collectively referred to with the demand to cash out shares as the "demand to cash out shares, etc."). In the demand to cash out shares, as consideration per Company's Share, the Tender Offeror plans to provide the same amount of money as the Tender Offer Price to the Shareholders Subject to Cash-Out, and in the demand to cash out Share Acquisition Rights, as consideration per Share Acquisition Right, the Tender Offeror plans to provide the same amount of money as the Share Acquisition Rights Purchase Price to the Share Acquisition Rights Holders Subject to Cash-Out. In this case, the Tender Offeror will notify the Company to that effect, and seek the approval of the Company concerning the demand to cash out shares, etc. If the Company approves the demand to cash out shares, etc., by resolution of the board of directors, the Tender Offeror will, in accordance with the procedures prescribed by relevant laws and regulations, acquire all Company's Shares held by the Shareholders Subject to Cash-Out and all of Share Acquisition Rights held by the Share Acquisition Rights Holders Subject to Cash-Out on the acquisition date specified in the demand to cash out shares, etc., without requiring the individual approval of the Shareholders Subject to Cash-Out and the Share Acquisition Rights Holders Subject to Cash-Out. If the Company receives notification from the Tender Offeror to the effect that it intends to make demand to cash out shares, etc., and the matters set forth in each item of Article 179-2, paragraph (1) of the Companies Act, the Company plans to approve the demand to cash out shares, etc., at a meeting of its board of directors. If a demand to cash out shares, etc., is made, a Shareholder Subject to Cash-Out or a Share Acquisition Rights Holder Subject to Cash-Out may file a petition with the court to determine the purchase price of the Company's Shares or the Share Acquisition Rights, in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations.

② Share consolidation

According to the Tender Offeror, on the other hand, if, after the Tender Offer takes effect, the total number of voting rights of the Company held by the Tender Offeror is less than 90% of the number of voting rights of all shareholders of the Company, then promptly after the completion of settlement for the Tender Offer, the Tender Offeror plans to request that the Company holds an extraordinary shareholders meeting (the "Extraordinary Shareholders Meeting") around July 2025, with the inclusion of proposals to conduct a consolidation of shares and amendments to the articles of incorporation to abolish provisions related to the number of shares constituting one unit of shares on the condition that the consolidation of shares takes effect. The Tender

Offeror plans to approve each of the above proposals at the Extraordinary Shareholders Meeting.

According to the Tender Offeror, if the proposal for the share consolidation is approved at the Extraordinary Shareholders Meeting, as of the day the consolidation of shares takes effect, the shareholders of the Company will own a number of Company's Shares in accordance with the ratio of the share consolidation approved at the Extraordinary Shareholders Meeting. If any fractions of less than one share arise in the number of shares as a result of the consolidation of shares, the Company's shareholders will receive money obtained by selling, etc., Company's Shares equivalent to the total number of this fraction (if the total number includes a fraction of less than one share, the fraction will be rounded down; the same applies hereinafter.) to the Company or the Tender Offeror, in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and regulations. With regard to the sale price of the Company's Shares corresponding to the total number of such fractions, the Tender Offeror plans to request that the Company files a petition for permission of voluntary sale with the court after setting the amount of money to be delivered to shareholders of the Company who did not tender their shares in the Tender Offer ++as a result of such sale to be equal to the price obtained by multiplying the Tender Offer Price by the number of Company's Shares held by each such shareholder. In addition, the ratio of the consolidation of the Company's Shares has not been determined as of the date of this release, but the Tender Offeror intends to determine it such that the number of Company's Shares held by shareholders of the Company who did not tender their shares in the Tender Offer will be a fraction of less than one share, to ensure that only the Tender Offeror will hold all of the Company's Shares.

According to the Tender Offeror, the Companies Act stipulates that in the event of a consolidation of shares, if the consolidation of shares results in a fraction of less than one share, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, the shareholders of the Company may demand that the Company purchases all fractions of less than one share held by them at a fair price, and may file a petition with the court to determine the price of the Company's Shares.

According to the Tender Offeror, the Tender Offer does not solicit the support of the shareholders of the Company at the Extraordinary Shareholders Meeting.

According to the Tender Offeror, in addition, in the event that, despite the Tender Offer taking effect, the Tender Offeror does not hold 90% or more of the voting rights of all shareholders of the Company, if the Tender Offeror is unable to acquire all of the Share Acquisition Rights in the Tender Offer and the Share Acquisition Rights remain unexercised, the Tender Offeror plans to request that the Company encourages the Share Acquisition Rights Holders to waive the Share Acquisition Rights or implement other reasonable procedures necessary for the execution of the Transaction, or implement such procedures itself, but the details thereof have not been determined as of March 14, 2025. The Company intends to cooperate with such a request if it is received.

According to the Tender Offeror, with regard to each of the procedures in ① and ② above, it may take time to implement the procedures or the method of their implementation may change depending on factors such as the status of amendments, enforcement, interpretation by the authorities, etc., of relevant laws and regulations, and the status of the holding of the Company's Shares by the Tender Offeror after the Tender Offer or the status of holding of the Company's Shares by shareholders of the Company other than the Tender Offeror. However, even in such a case, if the Tender Offer takes effect, the method of ultimately delivering money to the shareholders of the Company who did not tender their shares in the Tender Offer will be adopted, and in this case, the amount of money to be delivered to the shareholders of the Company will be calculated such that it is the same as the price obtained by multiplying the Tender Offer Price by the number of the Company's Shares held by the relevant shareholders of the Company. In addition, if money is to be delivered to Share Acquisition Rights Holders who did not tender in the Tender Offer, the price will be calculated such that it is the same as the Share Acquisition Rights Purchase Price multiplied by the number of the Share Acquisition Rights of the Company held by the relevant Share Acquisition Rights Holders. However, if a petition for determination of the purchase price in relation to the demand to cash out shares, etc., or a petition for determination of the price in relation to a share purchase demand is filed, the court will ultimately determine the purchase price of the Company's Shares or the purchase price of the Share Acquisition Rights, or the price in relation to the share purchase demand.

The Company plans to promptly announce the specific procedures, timing of implementation, and other details in each of the above cases as soon as they are determined after consultation with the Company. Shareholders of the Company are requested to confirm the tax treatment of tendering in the Tender Offer and each of the procedures described above with tax experts on their own responsibility.

(5) Prospect of delisting and reasons for delisting

As of March 14, 2025, the Company's Shares are listed on the Tokyo Stock Exchange Growth Market, but since the Tender Offeror has not set an upper limit on the number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Company's Shares may be delisted through prescribed procedures, in accordance with the criteria for delisting established by the Tokyo Stock Exchange. In addition, even if such criteria are not met at the time the Tender Offer takes effect, if each of the procedures set forth in "(4) Policy on organizational restructuring, etc. after the Tender Offer (matters related to the so-called two-tier takeover strategy)" above are implemented after the Tender Offer takes effect, the criteria for delisting will be met and the Company's Shares will be delisted through the prescribed procedures. After delisting, the Company's Shares will no longer be able to be traded on the Tokyo Stock Exchange Growth Market.

(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness

of the Tender Offer Price and to avoid conflicts of interest

As of March 14, 2025, the Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, there are no plans for all or part of the Company's management to invest directly or indirectly in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a so-called management buyout (MBO).

However, since the Tender Offeror had the intention to enter into the Tender Agreements with the Consenting Shareholders to the effect that all Company's Shares held by the Consenting Shareholders will be tendered in the Tender Offer, there is a possibility that the interests of the Consenting Shareholders and the general shareholders of the Company may not necessarily align. Based on this possibility, the Company and the Tender Offeror have taken the following measures to ensure the fairness of the Tender Offer Price, eliminate the possibility of arbitrariness and conflicts of interest in the decision-making process leading to the decision to conduct the Tender Offer, and ensure the fairness and transparency of the Transaction.

Furthermore, according to the Tender Offeror, the Tender Offeror has not set a minimum number of shares to be purchased equivalent to a so-called Majority of Minority (Note) in the Tender Offer, as the Tender Offeror believes that setting a minimum number of shares to be purchased for a "Majority of Minority" in the Tender Offer may make the completion of the Tender Offer uncertain and, on the contrary, may not serve the interests of the minority shareholders of the Company who wish to sell Company's Shares through the Tender Offer. However, since the Tender Offeror and the Company have implemented the following measures respectively, the Tender Offeror believes that sufficient consideration has been given to the interests of the minority shareholders of the Company. In descriptions below, those related to measures, etc., implemented by the Tender Offeror are based on explanations received from the Tender Offeror.

(Note) "Majority of Minority" refers to generally the fact that conditions precedent for M&A include obtaining support of a majority of shares held by shareholders (general shareholders) who do not share material interests with an acquirer, and such conditions precedent are to be announced in advance.

① Acquisition of the share valuation report by the Tender Offeror from an independent third-party valuation institution

(a) Common stock

According to the Tender Offeror, in order to ensure the fairness of the Tender Offer Price, when determining the Tender Offer Price, the Tender Offeror requested that Nomura Securities, its financial advisor, calculate the value of the Company's Shares as a third-party valuation institution independent from the Tender Offeror and the Company.

According to the Tender Offeror, as a result of the examination of the calculation methods for the Tender Offer, Nomura Securities calculated the value of the

Company’s Shares using the average market price method because the Company’s Shares are listed on the Tokyo Stock Exchange Growth Market and the DCF method to reflect the status of future business activities in the calculation. The Tender Offeror obtained the Share Valuation Report (Nomura Securities) from Nomura Securities on March 14, 2025. Nomura Securities is not a related party of the Tender Offeror or the Company, and does not have any material interest in the Transaction. In addition, based on other measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest performed in the Transaction, the Tender Offeror believes that the interests of the Company's minority shareholders have been sufficiently taken into consideration, and therefore has not obtained an opinion on the fairness of the Tender Offer Price from Nomura Securities (fairness opinion).

According to the Tender Offeror, the results of the calculation of the share value per Company’s Shares calculated based on each of the above methods by Nomura Securities are as follows.

Average market price method:	1,502 yen to 1,664 yen
DCF method:	1,944 yen to 3,262 yen

According to the Tender Offeror, with the average market price method, with a record of March 13, 2025, the range of the share value per Company’s Shares is calculated to be from 1,502 yen to 1,664 yen, based on the closing price of the Company’s Shares on the Tokyo Stock Exchange Growth Market on the record date of 1,664 yen, the simple average closing price for the period of five business days preceding this date of 1,591 yen, the simple average closing price for the period of one month preceding this date of 1,523 yen, the simple average closing price for the period of three months preceding this date of 1,502 yen, and the simple average closing price for the period of six months preceding this date of 1,586 yen.

According to the Tender Offeror, under the DCF method, based on the forecasts of the future earnings of the Company from the fiscal year ending October 2025 to the fiscal year ending October 2034, adjusted by the Tender Offeror based on various factors, including the earnings forecasts and investment plan based on the Business Plan (from the fiscal year ending October 2025 to the fiscal year ending October 2034) prepared by the Company, the results of due diligence of the Company conducted by the Tender Offeror from early December 2024 to late January 2025, the Company's annual securities report, summaries of financial results, and financial information published online, the free cash flow expected to be generated by the Company from the fiscal year ending October 2025 onward was discounted to its present value at a certain discount rate to analyze the corporate value and share value, and the range of share value per Company’s Shares was calculated as 1,944 yen to 3,262 yen. In addition, the perpetual growth rate method and multiple method were used to calculate the going concern value. Planned figures for the five fiscal years after the Tender Offer in the Company's future earnings forecasts, which are used as an assumption under the DCF

method, include fiscal years in which significant changes in profit are expected. Specifically, due to a decrease in capital investment, free cash flow is expected to increase significantly in the fiscal year ending October 31, 2025. In addition, a significant decrease in operating income and free cash flow is expected temporarily in the fiscal year ending October 31, 2026 due to the introduction and development of flexible sales strategies to adapt to changes in the competitive environment, but the realization of the results of the sales strategies is expected to lead to a significant increase in sales amount, operating income, and free cash flow in the fiscal year ending October 31, 2027; and a significant increase in operating income and free cash flow are expected in the fiscal year ending October 31, 2028. In the fiscal year ending October 31, 2029, a significant decrease in operating income and free cash flow is expected due to the introduction of measures and capital expenditures aimed at expanding market share and strengthening brand position for further growth.. In addition, the synergies expected to be realized from the execution of the Transaction are not reflected because their impact on earnings is difficult to estimate specifically at this point.

According to the Tender Offeror, the Tender Offeror ultimately determined that the Tender Offer Price would be 2,190 yen on March 14, 2025, based on the results of discussions and negotiations with the Company, comprehensively taking into consideration factors such as the results of the calculation of the value of the Company's Shares in the Share Valuation Report (Nomura Securities) obtained from Nomura Securities, as well as whether or not the board of directors of the Company will approve the Tender Offer and the prospect of tenders in the Tender Offer.

According to the Tender Offeror, the Tender Offer Price of 2,190 yen is the price at which a premium has been added of 31.61% against the closing price of 1,664 yen of the Company's Shares on the Tokyo Stock Exchange Growth Market on March 13, 2025, the business day immediately preceding the announcement date of the Tender Offer, 43.80% against the simple average closing price of 1,523 yen for the period of one month preceding this date, 45.81% against the simple average closing price of 1,502 yen for the period of three months preceding this date, and 38.08% against the simple average closing price of 1,586 yen for the period of six months preceding this date.

(b) Share acquisition rights

According to the Tender Offeror, as of March 14, 2025, the exercise price per Company's Share for each Share Acquisition Right is less than the Tender Offer Price. Accordingly, the Tender Offeror has determined that the Share Acquisition Rights Purchase Price will be the amount obtained by multiplying the difference between the Tender Offer Price of 2,190 yen and the exercise price per Company's Shares underlying each Share Acquisition Right by the number of Company's Shares underlying each Share Acquisition Right. Specifically, the Tender Offeror has determined that the Share Acquisition Rights Purchase Price will be as follows, respectively: for the Second Series Share Acquisition Rights, 21,150 yen, which is the amount obtained by multiplying 2,115 yen, which is the difference

from the exercise price of 75 yen per Company's Shares, by 10; for the Third Series Share Acquisition Rights, 18,400 yen, which is the amount obtained by multiplying 1,840 yen, which is the difference from the exercise price of 350 yen per Company's Shares, by 10; for the Fourth Series Share Acquisition Rights, 18,230 yen, which is the amount obtained by multiplying 1,823 yen, which is the difference from the exercise price of 367 yen per Company's Shares, by 10; and for the Fifth Series Share Acquisition Rights, 12,460 yen, which is the amount obtained by multiplying 1,246 yen, which is the difference from the exercise price of 944 yen per Company's Shares, by 10.

The approval of the board of directors of the Company is required for the acquisition of any Share Acquisition Rights by transfer. However, in order to enable the transfer of the Share Acquisition Rights, the Company, at a meeting of its board of directors held on March 14, 2025, passed a resolution to the effect that, subject to the Tender Offer taking effect, the Company will comprehensively approve the transfer of the Share Acquisition Rights held by the Share Acquisition Rights Holders to the Tender Offeror through their tender in the Tender Offer, provided they are actually tendered by the Share Acquisition Rights Holders in the Tender Offer, and will amend the content of the share acquisition rights allotment agreement pertaining to the Share Acquisition Rights to allow the transfer of the Share Acquisition Rights with Share Acquisition Rights Holders that wish to transfer their Share Acquisition Rights.

According to the Tender Offeror, the Tender Offeror has not obtained a share valuation report and fairness opinion from a third-party valuation institution since the Share Acquisition Rights Purchase Price has been determined in the manner described above.

(Note) According to Nomura Securities, in calculating the value of the Company's Shares, Nomura Securities assumed that the publicly available information and all information provided to Nomura Securities were accurate and complete and did not independently verify their accuracy and completeness. With respect to the Company and its affiliates' assets or liabilities (including derivative financial instruments, off-balance-sheet assets and liabilities, and other contingent liabilities), Nomura Securities did not conduct any independent evaluation, appraisal, or assessment including analysis and evaluation of each asset and liability, and did not request any third-party institution to provide an appraisal or assessment. With respect to the Company's financial forecasts (including profit plans and other information), Nomura Securities assumes that they were reasonably considered or prepared based on the best and most honest forecasts and judgment available at this point in time by the management of the Tender Offeror. Nomura Securities' calculation reflects the information and economic conditions available to Nomura Securities by March 13, 2025. The sole purpose of Nomura Securities' calculation is to serve as a reference for the Tender Offeror to consider the value of the Company's Shares.

② Acquisition of the share valuation report from an independent third-party valuation institution on the Company

In announcing its opinion regarding the Tender Offer, in order to eliminate arbitrariness in the decision making process with respect to the Tender Offer Price presented by the Tender Offeror and to ensure the fairness of the Tender Offer Price, the Company requested Trustees to calculate the Company's Share value as a third-party valuation institution independent from the Tender Offeror and the Company, and obtained the Share Valuation Report (Trustees) on March 13, 2025.

For the summary of the Share Valuation Report (Trustees), please see "(3) Matters regarding calculation" above.

③ Establishment of independent special committee and acquisition of findings report from the Special Committee on the Company

The Company received the Proposal from the Tender Offeror on November 15, 2024, but it is assumed that general shareholders of the Company will ultimately be squeezed out in exchange for money, and therefore, the appropriateness of the transaction terms is thought to be particularly important for the interests of the Company's shareholders. Accordingly, in order to engage in careful decision-making, eliminate arbitrariness in the decision-making process by the board of directors of the Company and ensure fairness, transparency, and objectivity, by resolution at a meeting of the board of directors of the Company held on November 20, 2024, the Company established the Special Committee consisting of members independent of the Tender Offeror, the Company, and the Consenting Shareholders (the following three persons: Kazuma Doi (certified public accountant and certified public tax accountant), who is an outside director and independent officer of the Company; Masaaki Suda (certified public accountant), who is an outside audit & supervisory board member and independent officer of the Company; and Hiroyasu Sato (attorney), who is an outside audit & supervisory board Member and independent officer of the Company). The Company initially selected the above three persons as the members of the Special Committee, and has not made any changes to the members of the Special Committee. In addition, Kazuma Doi, who is an outside director and independent officer of the Company, has been appointed as the chairperson of the Special Committee by the mutual selection among the members of the Special Committee. The remuneration of the members of the Special Committee is based only on the number of meetings of the Special Committee, and does not include any contingency remuneration that is subject to the announcement or taking effect of the Transaction, etc.

Based on the above resolution of the board of directors, the Company has consulted the Special Committee on the following points, and has commissioned it to submit a report on these points to the board of directors of the Company: (i) the legitimacy and reasonableness of the purpose of the Transaction (including the enhancement of the corporate value of the Company by the Transaction), (ii) the appropriateness of the terms and conditions of the Transaction (including the price for the purchase, etc., in the Tender Offer), (iii) the fairness of the negotiation process and procedures leading to decision-making in the Transaction, (iv) whether decisions concerning the Transaction (including

expressing an opinion in favor of the Tender Offer, recommending shareholders and the Share Acquisition Rights Holders of the Company tender their shares in the Tender Offer, and other decisions regarding procedures for the Transaction by the Company) are disadvantageous to the minority shareholders of the Company, and (v) in light of (i) through (iv) above, whether or not the board of directors of the Company should express an opinion in favor of the Tender Offer and whether or not it should recommend that shareholders and Share Acquisition Rights Holders of the Company tender their shares in the Tender Offer (hereinafter, (i) through (v) are collectively referred to as the "Consultation Items").

In addition, in the above resolution of the board of directors of the Company, when deliberating the content of the expression of an opinion on the Tender Offer, the board of directors of the Company resolved that it shall respect the contents of the report of the Special Committee on the Consultation Items to the maximum extent, taking into consideration the purpose of the establishment of the Special Committee, and if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the board of directors of the Company shall not approve the Tender Offer. In addition, based on the above resolution of the board of directors, the Company has granted to the Special Committee: (i) the authority to conduct negotiations with the Tender Offeror on its own, and also the authority to substantially influence the negotiation process regarding the terms and conditions of the Transaction by receiving reports on the status of negotiations in a timely manner, expressing opinions in important situations, and giving instructions and requests, even if negotiations with the Tender Offeror are conducted by internal personnel or advisors, etc., of the Company, (ii) the authority to appoint its own external advisors, etc., as necessary (the expenses in this case will be borne by the Company), as well as the authority to nominate or approve (including approval after the fact) external advisors, etc., appointed by the Company, and (iii) the authority to request that officers and employees of the Company, as well as external advisors, etc., collect any information necessary for making a report. Based on the authority described in (ii) above, the Special Committee, at its first meeting held on December 4, 2024, approved the appointment of Trustees as the financial advisor and third-party valuation institution, and of City-Yuwa Partners as the legal advisor, after confirming that there were no problems with the independence of the external advisors, etc., appointed by the Company.

The Special Committee held a total of 10 meetings from December 4, 2024, to March 13, 2025, and through these meetings, as well as e-mail, etc., outside of meetings, it expressed opinions, exchanged information, collected information, etc., and took other measures such as extra consultations as necessary, as it engaged in careful consideration of the Consultation Items. Specifically, the Special Committee received explanations from the Company and held a question-and-answer session concerning matters such as the business content and business performance trends of the Company, major management issues, expected merits and demerits for the Company's businesses as a result of the Transaction, and the details and formulation procedures of the Company's

business plan to be used as a basis for considering the terms and conditions of the Transaction. In addition, the Special Committee received explanations from the Tender Offeror and asked questions regarding matters such as the consideration process that led to the proposal for the Transaction, the details of measures expected after the Transaction, the details and extent of the benefits, disadvantages, and other effects expected from the Transaction, and the Company's management policies expected after the Transaction. Furthermore, Trustees, the financial advisor of the Company and third-party valuation institution, explained the calculation of the share value of the Company's Shares, and answered questions about the calculation process, after which the Special Committee considered the reasonableness of the calculation results. When engaging in the above consideration, the Special Committee received advice from City-Yuwa Partners, the legal advisor of the Company, as appropriate, on the details of measures to ensure the fairness of the Transactions, including the significance, role, etc., of the Special Committee, and measures to avoid conflicts of interest.

The Special Committee received a reports from the Company in a timely manner concerning matters such as the history and details of discussions and negotiations between the Company and the Tender Offeror regarding the Transaction, and stated its opinions to the Company to the effect that the Company should request that the Tender Offeror increase in the Tender Offer Price, on 4 occasions in total. The Company negotiated with the Tender Offeror in accordance with the opinion, and in this way, the Special Committee was substantially involved in the negotiation process with the Tender Offeror.

Based on the above circumstances, the Special Committee carefully deliberated and considered the Consultation Items, and as a result, submitted the Report to the board of directors of the Company as of March 13, 2025, with the unanimous consent of all committee members. A summary of the content of the Report is as follows.

(a) Contents of the Report

(i) The Transaction will contribute to the enhancement of the corporate value of the Company, and its purpose is considered to be legitimate and reasonable.

(ii) The appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, is considered to have been secured.

(iii) Fairness is considered to have been ensured in the negotiation process and the procedures leading to decision-making in relation to the Transaction.

(iv) The Transaction (including expressing an opinion in favor of the Tender Offer, recommending that shareholders and Share Acquisition Rights Holders of the Company tender their shares in the Tender Offer, and other decisions by the Company regarding procedures for the Transactions) is not considered to be disadvantageous to the minority shareholders of the Company.

(v) In light of (i) through (iv) above, it is considered appropriate for the board of directors of the Company to express an opinion supporting the Tender Offer and to recommend that shareholders and the Share Acquisition Rights Holders of the

Company tender in the Tender Offer.

(b) Reason for the Report

(i) Legitimacy and reasonableness of the purpose of the Transaction (including the enhancement of the corporate value of the Company by the Transaction)

Comprehensively taking the following points into consideration, the Transaction will contribute to the enhancement of the corporate value of the Company, and its purpose is considered to be legitimate and reasonable.

・ According to the Company, as the elderly population increases and the number of people under 65 years old who support the elderly decreases, the shortage of nursing care staff is likely to become more serious in the future. On the other hand, there are more than two million beds in nursing facilities, etc., across the country, and the market penetration rate of the Company's "Life Rhythm Navi" was less than 1% as of the end of April 2024, indicating that there is considerable potential for its introduction, particularly in private nursing facilities. Additionally, in terms of management issues faced by the Company in relation to each of its businesses, in the nursing care industry, there is a custom that "nursing care is handled by human hands," and the providers of nursing care are also aging. Accordingly, as a result of the slow spread and low level of awareness of ICT and the IoT, there is a tendency to be cautious about their introduction, resulting in a barrier to the expansion of the digital transformation (DX) in nursing care. In light of this situation, the Company aims to acquire new customers by deepening understanding of the merits of "Life Rhythm Navi" in an easy-to-understand manner through online demonstrations, while also leveraging existing connections between agencies and customers. As mentioned, however, the market penetration rate of the Company's "Life Rhythm Navi" was less than 1% as of the end of April 2024, and the Company faces the important issue of how to make it a de-facto standard by expanding its market share nationwide and how to cultivate new customers in homes and hospitals (BtoB and BtoBtoC routes). In this regard, the Company listed its shares on the Tokyo Stock Exchange Growth Market in July 2023, and as a result of efforts to strengthen its organizational structure, formulate rational business plans, and reinforce the personnel system through preparation for this listing, the number of potential customers who remove the Target Company as a candidate when considering the introduction of nursing care has decreased in comparison with leading and well-known competitors. Given the aforementioned barriers to the expansion of nursing care DX in the nursing care industry, however, it would be difficult for the Company to quickly cultivate new customers at home and in hospitals solely through its own efforts as a company. Accordingly, the Company has been exploring and considering the possibility of collaboration through M&A, based on the assumption that the counterparty will have a wide range of sales channels across nursing facilities, hospitals, etc., with the aim of quickly achieving

further growth in the Life Rhythm Navi business. Based on interviews with the Company and the Tender Offeror, as well as information available to the general public, no particular irrationalities have been recognized with regard to the above explanation of the business environment and management issues.

- According to the Tender Offeror, which has engaged in drug discovery and disease awareness activities as a pioneer in the dementia field over many years, it is promoting business activities aimed at the creation of the Dementia Platform, to provide appropriate services, etc., for everyone from general living people to persons with dementia and their families, based on collaboration between various industries and organizations and the utilization of data held by the Tender Offeror to solve dementia-related issues. According to the Tender Offeror, in the course of these activities, the Tender Offeror felt that the Company's "Life Rhythm Navi" had the potential to become a core solution for the Dementia Platform that the Tender Offeror envisioned, and thus concluded a business alliance agreement with the Company on July 24, 2024, aiming to build a dementia ecosystem. Furthermore, based on the demonstration experiment, the results of which are expected to show a potential new medical flow for persons with mild cognitive impairment (MCI) and dementia through the intervention of nursing care staff at facilities, and based on the belief that further collaboration with the Company can be expected to contribute to the prevention of mild cognitive impairment (MCI) and dementia and early medical examinations, the Tender Offeror began to consider a capital alliance in late August 2024, and in early October 2024, the Tender Offeror came to believe that a capital alliance between the Tender Offeror and the Company would be a reasonable strategy to achieve further growth and increase corporate value, and that prompt and flexible decision-making through making the Company a wholly-owned subsidiary of the Tender Offeror would be necessary to create more synergies. Accordingly, the Tender Offeror submitted a proposal to execute the Transaction to the Company on November 15, 2024. On the other hand, as mentioned above, the Company has been exploring and considering the possibility of collaboration through M&A, based on the assumption that the counterparty will be a company with wide-ranging sales channels to medical institutions, such as nursing homes and hospitals, and the power to spread its services. Accordingly, based on the fact that Tender Offeror is not only engaged in drug discovery and disease awareness activities as a pioneer in the dementia field, but is also a pharmaceutical company that engages in R&D, manufacturing, sales, and other activities on a global basis, mainly for prescription drugs, and has a wide range of sales channels to medical institutions, such as hospitals, and the power to spread its services, the Company expects that by conducting some form of M&A with the Tender Offeror, it will be able to significantly bring forward the spread of “Life Rhythm Navi” to medical institutions, such as

hospitals, in line with its aim, by collaboration in the form of utilizing the Tender Offeror's sales channels. The Company and the Tender Offeror generally agree on the above understanding of the significance and purpose of the Transaction, and no particular irrationalities have been recognized with regard to their explanation.

- According to the Company, by becoming a wholly-owned subsidiary of the Tender Offeror through the Transaction, it expects synergies such as: ① expansion in sales of "Life Rhythm Navi Plus Doctor" to medical institutions or nursing facilities, etc., belonging to the same corporation as the medical institutions, ② expansion in sales of "Life Rhythm Navi" for home use, and ③ reduction in burden through delisting. In this regard, based on the interviews with the Tender Offeror, the Tender Offeror also expects benefits such as synergies in the expansion of sales of "Life Rhythm Navi Plus Doctor" and "Life Rhythm Navi" for home use, and there is no appreciable gap between the Company's and the Tender Offeror's perception of synergies from the Transaction. Moreover, the Special Committee fully agrees with the content of the Company's explanation of these synergies.
- According to the Company, if the Transaction was limited to a capital alliance between the Company and the Tender Offeror that maintained the listing of the Company's shares, the Company would be required to conduct independent management that takes into consideration the interests of general shareholders as a listed company, the Tender Offeror would not be able to receive a 100% return on its investment in the Company, and this would make it difficult for both parties to fully share management resources. Therefore, the Company believes that limits would be imposed on the realization of the above synergies. Therefore, in order to maximize synergies with the Tender Offeror, the Company believes that it and the Tender Offeror becoming a wholly-owned subsidiary and parent company is the optimal method for aligning the interests of both parties. In addition, according to interviews with the Tender Offeror, the Tender Offeror has the same views as above, and the perceptions of both parties are aligned. The Special Committee also has not found any particular irrationalities in the explanations provided by both parties, and believes that it is reasonable to a certain extent for the Company to become a wholly-owned subsidiary of the Tender Offeror.
- As a result of consideration of the possible disadvantages associated with the delisting of the Company's Shares due to the Transaction through interviews with the Company and the Tender Offeror, it has been recognized that the impact will be limited in areas such as the impact on customers and other business partners, the impact on future funding, the weakening of compliance systems due to delisting, the impact on future hiring of human resources, and the impact on existing employees, and there are no specific concerns that the Transaction will cause disadvantages that exceed synergies expected from the

Transaction.

- The Company listed its shares on the Tokyo Stock Exchange Growth Market in July 2023, and the Company's Shares will judge to be delisted approximately one year and eight months after the listing. In this regard, according to the Company, the Transaction is expected to enable the Company to greatly accelerate the expansion of its customer base, as well as the dissemination of "Life Rhythm Navi" to hospitals and other medical institutions, which the Company aims to achieve, by utilizing the extensive sales channels of the Tender Offeror, which is a pharmaceutical company that is not only engaged in drug discovery and disease awareness activities as a pioneer in the field of dementia but is also globally engaged in research and development, manufacturing, sales, and other businesses, with a focus on ethical pharmaceuticals. This will be possible by making the Company a member of the Tender Offeror Group after the Company's Shares have been delisted. Therefore, regardless of the period after the Company's Shares have been listed, it can be judged that accepting this proposal for the Transaction from the Tender Offeror will contribute to the enhancement of the Company's corporate value. In light of the explanation given by the Company and the Tender Offeror regarding the synergies of the Transaction, the Special Committee fully agrees with the content of the Company's explanation.

(ii) Appropriateness of the terms and conditions of the Transaction (including the price for the purchase, etc., in the Tender Offer)

Comprehensively taking the following points into consideration, the terms and conditions of the Transaction, including the Tender Offer Price, are considered to be appropriate in light of the interests of the minority shareholders of the Company.

- The Tender Offer Price is above upper limit of price range based on the market price method and the comparable public company comparison method, and is also above median of price range based on the DCF method and is close to the upper limit of the price range, among the results of the calculation of the value of the Company's Shares by Trustees, and can be evaluated as appropriately reflecting the intrinsic value that the Company could realize. There was no intentional or arbitrary treatment of the market price method, comparable public company comparison method, or DCF method, all of which were methods used by the Trustees to calculate the value of the Company's Shares. The results of the Trustees' calculation of the value of the Company's Shares have a certain degree of reasonableness as reference materials for determining the reasonableness of the Tender Offer Price.
- A certain degree of reasonableness is recognized in the premium added to the Tender Offer Price in comparison with the level of the premium ratio in similar cases identified by Trustees.
- In addition, although the Tender Offer Price is below the highest price of the

Company's Shares since listing, the closing price of the Company's Shares on and after July 26, 2024, the date on which one year has passed since the Company's listing when the market price of the Company's Shares stabilized (in light of the PBR level of the Company, etc., the price of the Company's Shares on the Tokyo Stock Exchange Growth Market after such date may be considered to be valued to a certain extent in the market). (In light of the Company's P/B ratio, the share price of the Company's Shares on the Tokyo Stock Exchange Growth Market can be considered to be valued to a certain degree in the market even after that date.)

- The Tender Offer Price exceeds the Company's book value per share (496.99 yen) as of the end of October 2024, and no particular reasons are recognized to deny the reasonableness of the Tender Offer Price, at least in comparison with the book value of net assets.
- The Share Acquisition Rights Purchase Price has been set at the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company Share underlying the Share Acquisition Rights by the number of shares underlying one Share Acquisition Right. As described above, the Tender Offer Price is considered to be reasonable to a certain extent, and since the Share Acquisition Rights Purchase Price is calculated based on the difference between the Tender Offer Price and the exercise price of the Share Acquisition Rights, the Share Acquisition Rights Purchase Price is also considered to be reasonable to a certain extent.
- According to the Tender Offeror, in the Tender Offer, there are no plans to set a lower limit on the number of shares to be purchased equivalent to a so-called majority of minority. In this regard, although there is room to believe that setting such a lower limit on the number of shares to be purchased would contribute to the interests of minority shareholders of the Company, the M&A Guidelines also state that it is difficult to say that it is always desirable to set such a condition, partly owing to the concern that setting a majority of minority condition may hinder the completion of an M&A that contributes to the enhancement of corporate value if the acquirer already holds a large proportion of shares of the company to be acquired. In this regard, the Special Committee considers that the fairness of the terms and conditions of the Transaction cannot be denied, even if a majority of minority condition is not set in the Tender Offer, after comprehensively taking into consideration points such as the following: ① the above concerns are applicable to a considerable extent because Cocoa Asset, which plans to conclude the Tender Agreement with the Tender Offeror, holds 2,053,250 Company’s Shares (ownership ratio: 28.11%), Hulic holds 672,750 Company’s Shares (ownership ratio: 9.21%), and TOKYO GAS holds 622,750 Company’s Shares (ownership ratio: 8.53%), ② if a majority of minority condition is set, it may actually harm the interests of minority shareholders who have tendered shares in the Tender

Offer, and ③ in light of the status of implementation other measures to ensure fairness, it can be assessed that the fairness of the negotiation process and the procedures leading to decision-making in relation to the Transaction is secured.

- For the Squeeze-Out Procedures, a demand to cash out shares, etc., or a consolidation of shares is expected, and in either case, the right of shareholders who did not tender their shares in the Tender Offer to demand the purchase of shares or request the determination of a price is secured by laws and regulations. In addition, according to the Tender Offeror, it will promptly proceed with the Squeeze-Out Procedures after the completion of the settlement of the Tender Offer, and furthermore, ① in the case of a demand to cash out shares, the Tender Offeror will deliver money equivalent to the Tender Offer Price to each shareholder as consideration per share, and in the case of a demand to cash out Share Acquisition Rights, the Tender Offeror will deliver money equivalent to the Share Acquisition Rights Purchase Price to each Share Acquisition Rights Holder as consideration per Share Acquisition Right, and ② in the case of a consolidation of shares, for the sale price for Company's Share equivalent to the total number of fractional shares arising as a result of the consolidation, the amount of money to be delivered to the shareholders of the Company who did not tender their shares in the Tender Offer as a result of the sale of these Company's Shares will be set such that it is the same as the price obtained by multiplying the Tender Offer Price by the number of the Company's Shares held by each shareholder, and a petition for permission of voluntary sale will then be filed with the court. In addition, if any Share Acquisition Rights remain unexercised, the Tender Offeror plans to request that the Company recommends that Share Acquisition Rights Holders waive the Share Acquisition Rights or implements other reasonable procedures necessary for the execution of the Transaction, or implement such procedures itself, and if money is to be delivered to the Share Acquisition Rights Holders at that time, it is planned to be calculated such that it will be the same price as the Share Acquisition Rights Purchase Price in the Tender Offer multiplied by the number of Share Acquisition Rights held by the relevant Share Acquisition Rights Holders. As described above, in the Transaction, including the Tender Offer, in order to address the issue of so-called coerciveness, consideration has been given to the interests of shareholders and Share Acquisition Rights Holders who did not tender shares in the Tender Offer, and the terms and conditions for the Squeeze-Out Procedures are considered to be reasonable to a certain extent.
- As described in (iii) below, fairness is considered to be ensured in the negotiation process and the procedures leading to decision-making for the Transaction, and it is recognized that the terms and conditions of the Transaction, including the Tender Offer Price, were determined after such fair

procedures.

(iii) Fairness of the negotiation process and procedures leading to decision-making in the Transaction

Comprehensively taking the following points into consideration, fairness is considered to have been ensured in the negotiation process and the procedures leading to decision-making in relation to the Transaction.

・ When considering the Transaction, the Company has established the Special Committee as part of measures to ensure fairness, from the perspective of eliminating arbitrariness in the Company's decision-making process and avoiding conflicts of interest. The Special Committee was established prior to the commencement of specific negotiations on the Tender Offer Price, and no reason is recognized to doubt the independence of each committee member. When passing the resolution to establish the Special Committee, the board of directors of the Company granted to the Special Committee: ① the authority to conduct negotiations with the Tender Offeror on its own, and also the authority to substantially influence the negotiation process regarding the terms and conditions of the Transaction by receiving reports on the status of negotiations in a timely manner, expressing opinions in important situations, and giving instructions and requests, even if negotiations with the Tender Offeror are conducted by internal personnel or advisors, etc., of the Company, ② the authority to appoint its own external advisors, etc., as necessary (the expenses in this case will be borne by the Company), as well as the authority to nominate or approve (including approval after the fact) external advisors, etc., appointed by the Company, and ③ the authority to request that officers and employees of the Company, as well as external advisors, etc., collect any information necessary for making a report. In response, the Special Committee confirmed that the financial advisor and third-party valuation institution, as well as the legal advisor, appointed by the Company had no problems with their independence and expertise, and approved the appointment of each of them as the Company's advisors, etc. Furthermore, when passing a resolution to establish the Special Committee, the board of directors of the Company resolved that it shall respect the contents of the report of the Special Committee to the maximum extent when deliberating the content of the expression of an opinion on the Tender Offer, and if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the board of directors shall not approve the Tender Offer, meaning that consideration has been given to ensuring the effectiveness of the judgment of the Special Committee. As described above, after taking practical measures to enhance the effectiveness of the Special Committee, the Special Committee considered and assessed the appropriateness of the Transaction, the appropriateness of the terms and conditions for the Transaction, and the fairness of the procedures, from the standpoint of enhancing corporate value

and protecting the interests of minority shareholders.

- In order to ensure the fairness of decision-making regarding the Tender Offer Price, the Company has obtained the Share Valuation Report (Trustees) from Trustees, an independent financial advisor and a third-party valuation institution, and has also received legal advice from City-Yuwa Partners, an independent legal advisor, regarding the process and methods of decision-making by the Company's board of directors regarding the Transaction and other points to keep in mind when making decisions regarding the Transaction. The Company has not obtained from Trustees a written opinion to the effect that the Tender Offer Price is appropriate or fair from a financial perspective (fairness opinion), but in Japan, it is understood that the effectiveness of a fairness opinion as a measure to ensure fairness is not uniform depending on the case. Under these circumstances, in light of the process for considering the Transaction, the Company has not recognized any circumstances in which it should be considered essential to obtain a fairness opinion to examine the appropriateness of the Transaction, and the Company believes that the fairness of negotiation process and the procedures leading to decision-making concerning the Transaction will not be denied even if a fairness opinion is not obtained.
- The Special Committee received timely reports on the progress, details, etc., of discussions and negotiations with the Tender Offeror regarding the Tender Offer Price, and has been substantially involved in the negotiation process, including discussing policies for negotiation, etc., and giving opinions to the Company. Accordingly, no particular irrationalities have been found in the negotiation process from the perspective of giving consideration to the interests of the minority shareholders of the Company.
- Of the nine Company's directors, ① Mr. Kajimoto, who is the chairman of the board of directors, plans to enter into an agreement with the Tender Offeror under which Cocoa Asset Co., Ltd., which is the asset management company of Mr. Kajimoto, will tender all of the Company's Shares that it holds in the Tender Offer, and ② Mr. Sohei Okuno, who is a director ("Mr. Okuno"), concurrently serves as the head of Global Investment Unit Business Creation Department of Hulic, which plans enter into an agreement with the Tender Offeror under which it will tender all Company's Shares that it holds in the Tender Offer. In this regard, from the perspective of avoiding the possibility of conflicts of interest, the Company expects that the above two directors will not participate in the deliberation and resolution at the meeting of the board of directors to be held on March 14, 2025, regarding the proposal for expressing an opinion on the Tender Offer. In addition, these two persons are not involved in any discussions or negotiations with the Tender Offeror from the standpoint of the Company, and no facts have been recognized to suggest that any person whose independence from the Tender Offeror is questionable

improperly influenced the decision-making of the Company in the process of discussions, consideration, and negotiation related to the Transaction.

- The Tender Offeror has set the Tender Offer Period at 34 business days, which is longer than the minimum period of 20 business days stipulated by laws and regulations, thereby ensuring that shareholders and the Share Acquisition Rights Holders of the Company have an opportunity to make an appropriate decision regarding the tender of their shares in the Tender Offer, while also ensuring an opportunity for parties other than the Tender Offeror to conduct a purchase, etc., for the Company's Shares, and thus ensuring the fairness of the Tender Offer Price. In addition, the Tender Offeror and the Company have not entered into any agreement that would restrict a person proposing a competing acquisition from having contact with the Company, etc., such as an agreement that contains a transaction protection clause that prohibits the Company from having contact with any person other than the Tender Offeror (a person proposing a competing acquisition), and together with the establishment of the Tender Offer Period described above, consideration has thus been given to ensuring the fairness of the Tender Offer by ensuring opportunities for a competing purchase, etc.
- There are plans for the disclosure of certain information in the press release relating to the Transaction, including information related to the Special Committee, information related to the results of the calculation of the share value of the Company's Shares, information on the background, purpose, etc., of the implementation of the Transaction, and information on the specific history of discussions and negotiations regarding the terms and conditions of the Transaction between the Company and the Tender Offeror, and it is thus recognized that reasonable information will be disclosed in order for the shareholders of the Company and the Share Acquisition Rights Holders to judge the appropriateness of the terms and conditions of the transaction.

(iv) Whether decisions concerning the Transaction (including expressing an opinion in favor of the Tender Offer, recommending that shareholders and Share Acquisition Rights Holders of the Company tender their shares in the Tender Offer, and other decisions by the Company regarding procedures for the Transactions) are disadvantageous to the minority shareholders of the Company

As described above, (i) the Transaction is considered to contribute to the enhancement of the corporate value of the Company and its purpose is considered to be legitimate and reasonable, (ii) the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, is considered to have been ensured, and (iii) the fairness of negotiation process and procedures leading to decision-making related to the Transaction are considered to have been ensured. Additionally, no particular circumstances have been recognized under which the Transaction should be considered disadvantageous to the minority shareholders of the Company, and therefore, (iv) the Transaction (including

expressing an opinion in favor of the Tender Offer, recommending that shareholders and Share Acquisition Rights Holders of the Company tender their shares in the Tender Offer, and other decisions by the Company regarding procedures for the Transactions) is not considered to be disadvantageous to the minority shareholders of the Company.

(v) In light of (i) through (iv) above, the appropriateness of the board of directors of the Company expressing an opinion supporting the Tender Offer and recommending that shareholders and the Share Acquisition Rights Holders of the Company tender in the Tender Offer

In light of (i) through (iv) above, it is considered appropriate for the board of directors of the Company to express an opinion supporting the Tender Offer and to recommend that shareholders and the Share Acquisition Rights Holders of the Company tender in the Tender Offer.

④Advice from an independent law firm obtained by the Company

In order to ensure the fairness and appropriateness of the decision-making by the board of directors of the Company regarding the Transaction, including the Tender Offer, the Company appointed City-Yuwa Partners as a legal advisor independent of the Tender Offeror and the Company, and received legal advice on the process and method of decision-making by the board of directors of the Company regarding the Transaction, including the Tender Offer, and other points to keep in mind when making decisions regarding the Transaction, including the Tender Offer.

City-Yuwa Partners is not a related party of the Tender Offeror or the Company, and does not have any material interest in the Transaction, including the Tender Offer. The remuneration of City-Yuwa Partners with regard to the Transaction does not include any contingency remuneration that is subject to the announcement or taking effect of the Transaction, etc. At its first meeting on December 4, 2024, the Special Committee also approved the appointment of City-Yuwa Partners as the Company's legal advisor, after confirming that there were no problems with its independence.

⑤Approval of all of the Company's directors who have no conflicts of interest and opinion without objection of all of the Company's audit & supervisory board members who have no conflicts of interest

The Company carefully discussed and considered the terms and conditions of the Transaction, including the Tender Offer, while respecting the contents of the Report submitted by the Special Committee to the maximum extent, and taking into consideration the Share Valuation Report (Trustees) obtained from Trustees and legal advice from City-Yuwa Partners. As a result, as described in "(2) Grounds and reasons of the opinion", "④ Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" above, the Company determined that the Transaction, including the Tender Offer, is expected to enhance the corporate value of the Company, that the Tender Offer Price, the Share Acquisition Rights Purchase Price,

and other terms and conditions of the Tender Offer are appropriate for the shareholders and Share Acquisition Rights Holders of the Company, and that the Tender Offer provides reasonable opportunities for the shareholders and Share Acquisition Rights Holders of the Company to sell their shares and share acquisition rights. Accordingly, at the meeting of the board of directors of the Company held on March 14, 2025, the directors of the Company who participated in the deliberations and resolution (the following seven persons: Kimihito Watanabe, Masashige Sugisaki, Kazuhiro Nomura, Terukuni Yasuda, Daisuke Kawamata, Daisuke Kidooka and Kazuma Doi, excluding Mr. Kajimoto and Mr. Okuno) unanimously resolved to express an opinion in favor of the Tender Offer and recommend that the shareholders and Share Acquisition Rights Holders of the Company tender their shares in the Tender Offer. All three audit & supervisory board members of the Company attended the above meeting of the board of directors, and all of the audit & supervisory board members who attended expressed an opinion that they had no objection to the adoption of the above resolution.

Of the directors of the Company, Mr. Kajimoto, who is the director and chairman, and Mr. Okuno, who is a director, did not participate in any of the deliberations or the resolution concerning a proposal of the expression of an opinion on the Tender Offer at the aforementioned meeting of the Company's board of directors, and did not participate in any discussions or negotiations with the Tender Offeror from the standpoint of the Company, from the viewpoint of avoiding the possibility of conflicts of interest, based on the fact that each of their interests may not align with those of the general shareholders of the Company, because, respectively, Cocoa Asset, the asset management company of Mr. Kajimoto planned to conclude the Tender Agreement (Cocoa Asset) with the Tender Offeror at the time of the Tender Offer, and Mr. Okuno concurrently serves as the head of Global Investment Unit Business Creation Department of Hulic Co., Ltd., which plans to conclude the Tender Agreement (Hulic) with the Tender Offeror.

In addition, although Daisuke Kawamata, a director of the Company, is a former employee of TOKYO GAS, with which the Tender Agreement (Tokyo Gas) is scheduled to be executed, he retired from TOKYO GAS in March 2022 and has not been an officer or employee of TOKYO GAS or its wholly owned subsidiary since then, nor has he been in a position or relationship to receive instructions, etc. from TOKYO GAS. Therefore, the Company has determined that the fact that Mr. Kawamata is a former employee of TOKYO GAS itself does not constitute a situation that may give rise to a conflict of interest or a situation that may conflict with the interests of minority shareholders.

⑥Establishment of a system for independent consideration by the Company

The Company has established an internal system to consider and negotiate the Transaction from a standpoint independent of the Tender Offeror. Specifically, since receiving the Proposal from the Tender Offeror on November 15, 2024, from the viewpoint of avoiding the possibility of conflicts of interest, the Company decided not to permit Mr. Kajimoto and Mr. Okuno to participate in the negotiations between the Company and the Tender Offeror concerning the terms and conditions of the Transaction,

including the Tender Offer Price, and the process for consideration within the Company, because, respectively, Cocoa Asset, which planned to conclude the Tender Agreement (Cocoa Asset), is the asset management company of Mr. Kajimoto, and Mr. Okuno concurrently serves as Head of Global Investment Unit Business Creation Department of Hulic Co., Ltd., which plans to conclude the Tender Agreement (Hulic) with the Tender Offeror, and established an internal consideration system centered on two directors (Kimihito Watanabe and Daisuke Kawamata) who are independent from the Tender Offeror. Under this system, the Company has formulated the Business Plan, which Trustees used as the basis for the calculation with the DCF method, and neither the Tender Offeror nor any parties with material interests in the Tender Offeror participated in the process of formulating the Business Plan.

The Special Committee has confirmed that there are no problems with the Company's system for consideration the Transaction from the viewpoint of independence and fairness, including the above treatment.

⑦Measures to ensure opportunities for purchase from other purchasers

The Tender Offeror has not entered into any agreement with the Company that would restrict the contact of a party proposing a competing acquisition, such as an agreement that includes a transaction protection clause that prohibits the Company from contacting a party proposing a competing acquisition. In addition, according to the Tender Offeror, the Tender Offeror has set the period for the purchase, etc. (the "Tender Offer Period") of the Tender Offer as 34 business days, which is longer than the minimum period of 20 business days stipulated by laws and regulations. The Tender Offeror has set the Tender Offer Period longer than the minimum period stipulated by laws and regulations, thereby ensuring that shareholders and the Share Acquisition Rights Holders of the Company have an opportunity to make an appropriate decision regarding the tender of their shares in the Tender Offer, while also ensuring an opportunity for persons other than the Tender Offeror to conduct a competing purchase, etc., for the Company's Shares and the Share Acquisition Rights. In this way, the Tender Offeror intends to ensure the appropriateness of the Tender Offer Price and the Share Acquisition Rights Purchase Price.

4. Matters Concerning Material Agreements for the Tender Offer Among the Tender Offeror, Our Shareholders, Directors, Etc.

As described in "(2) Grounds and reasons of the opinion", "① Overview of the Tender Offer" in "3. Details, Grounds and Reasons of the Opinion regarding the Tender Offer", according to the Tender Offeror, the Tender Offeror has entered into the Tender Agreements with the Tendering Shareholders on March 14, 2025. The outline of the Tendering Agreements is as follows.

① Tender Agreement (Cocoa Asset)

According to the Tender Offeror, the Tender Offeror executed the Tender Agreement

(Cocoa Asset) with Cocoa Asset (number of shares held: 2,053,250 shares; ownership ratio: 28.11%) as of March 14, 2025, and has agreed to tender all of the Company's Shares held by Cocoa Asset in the Tender Offer. No conditions precedent for the tender by Cocoa Asset have been stipulated. The Tender Offeror has not agreed to provide or offer any benefits to Cocoa Asset in connection with the Transaction in addition to the consideration for tendering its shares in the Tender Offer.

② Tender Agreement (Hulic)

According to the Tender Offeror, the Tender Offeror executed the Tender Agreement (Hulic) with Hulic (number of shares held: 672,750 shares; ownership ratio: 9.21%) as of March 14, 2025, and has agreed to tender all of the Company's Shares held by Hulic in the Tender Offer. No conditions precedent for the tender by Hulic have been stipulated. The Tender Offeror has not agreed to provide or offer any benefits to Hulic in connection with the Transaction in addition to the consideration for tendering its shares in the Tender Offer.

③ Tender Agreement (TOKYO GAS)

According to the Tender Offeror, the Tender Offeror executed the Tender Agreement (TOKYO GAS) with TOKYO GAS (number of shares held: 622,750 shares; ownership ratio: 8.53%) as of March 14, 2025, and has agreed to tender all of the Company's Shares held by TOKYO GAS in the Tender Offer. The Tender Offeror has not agreed to provide or offer any benefits to TOKYO GAS in connection with the Transaction in addition to the consideration for tendering its shares in the Tender Offer. The outline of the Tender Agreement (TOKYO GAS) is as follows:

(a) After the execution of the Tender Agreement (TOKYO GAS), by the end of the Tender Offer Period, TOKYO GAS shall notify the Tender Offeror of the fact and its content immediately, and TOKYO GAS and the Tender Offeror may request the other party to hold discussions regarding a change in the Tender Offer Price if a party other than the Tender Offeror provides a proposal ("Competing Proposal") to acquire the Company's Shares or the Stock Acquisition Rights (regardless of the method, such as a tender offer or organizational restructuring) whose acquisition price (regardless of the type of consideration, such as cash and shares) is higher than the Tender Offer Price (if it will be revised by the Tender Offeror, the price after such revision). In such case, TOKYO GAS does not owe obligation to tender and if TOKYO GAS has already tendered, TOKYO GAS may terminate agreement related to all tender of Company's Shares held by TOKYO GAS if (i) the Competing Proposal is a proposal that the offeror will purchase the Company's Shares (excluding treasury shares) and the Share Acquisition Rights at a price (only cash) higher than the Tender Offer Price (if it will be revised by the Tender Offeror, the price after such revision) (only legal binding proposal and if the acquisition is done through tender offer, such tender offer must commence actually), and (ii) it is objectively and reasonably determined that refusing to accept the Competing Proposal would be a breach of the duty of care of a good

manager by the directors of TOKYO GAS.

(b)TOKYO GAS shall not, directly or indirectly, solicit, propose, provide information or make offers to third parties regarding competing transactions (for the avoidance of doubt, providing information or holding discussions in response to a solicitation, proposal, information offer or application from a third party shall not constitute a solicitation, proposal, information offer or application by TOKYO GAS.).

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

Not applicable.

6. Measures regarding the Basic Policy on Control of the Company

Not applicable.

7. Questions to the Tender Offeror

Not applicable.

8. Request for Extension of the Tender Offer Period

Not applicable.

9. Future Outlook

Please refer to "(2) Grounds and reasons of the opinion", "② Background to, and objectives of and decision-making process leading to the Tender Offeror's decision to implement the Tender Offer" and "③ Management policy after the Tender Offer"; "(4) Policy on organizational restructuring, etc. after the Tender Offer (matters related to the so-called two-tier takeover strategy)"; and "(5) Prospect of delisting and reasons for delisting" in "3. Details, Grounds and Reasons of the Opinion regarding the Tender Offer" above.

10. Other Information

(1) Publication of "Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending October 2025 (under Japanese GAAP)"

The Company releases the Company's Summary of the Financial Results as of March 14, 2025. For more detail, please refer to the detail of the release.

(2) Publication of "Notice of Revision to Year-end Dividend Forecast (No Dividend) for the Fiscal Year Ending October 2025"

At a meeting of the board of directors held on March 14, 2025, the Company resolved to revise its dividend forecast for the fiscal year ending October 2025 and to not pay interim and year-end dividends for the fiscal year ending October 2025, subject to the Tender Offer taking effect. For details, please refer to "Notice of Revision to Year-End Dividend Forecast (No Dividend) for the Fiscal Year Ending October 2025 " announced by the Company today.

(3) Announcement of "Notice of Dissolution of Business Alliance"

The Company announced the "Notice of Dissolution of Business Alliance" on March 14, 2025. For details, please refer to the content of the relevant announcement.

(Reference) “Notice Concerning Commencement of Tender Offer for EcoNaviSta,Inc. (Securities Code: 5585)” dated March 14, 2025 (attached)

March 14, 2025

FOR IMMEDIATE RELEASE

Company Name: Eisai Co., Ltd.
Representative: Haruo Naito
Representative Corporate Officer and CEO
(Code 4523 Tokyo Stock Exchange Prime Market)
Inquiries: Vice President
Corporate Communications
Sayoko Sasaki (Phone +81-3-3817-5120)

Notice Concerning Commencement of Tender Offer for Share Certificates, etc., of EcoNaviSta Inc. (Securities Code: 5585)

Eisai Co., Ltd. (the "Tender Offeror") hereby announces that, on March 14, 2025, it decided to acquire the common shares (the "Target Company Shares") and the Share Acquisition Rights (defined in "(3) Price of purchase, etc." under "2. Overview of purchase, etc." below; the same applies hereinafter) of EcoNaviSta Inc. (listed on Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") Growth Market, securities code: 5585, the "Target Company") through a tender offer (the "Tender Offer") pursuant to the provisions of the Financial Instruments and Exchange Act (Act No. 25 of 1948; including subsequent revisions; the "Act"), as follows.

1. Purpose of purchase, etc.

(1) Overview of the Tender Offer

On March 14, 2025, the Tender Offeror decided to conduct the Tender Offer as part of a transaction to acquire all of the common shares of the Target Company listed on the Tokyo Stock Exchange Growth Market (however, this includes the Target Company Shares to be delivered upon exercise of the Share Acquisition Rights, and excludes treasury shares held by the Target Company) and all of the Share Acquisition Rights, and to make the Target Company a wholly-owned subsidiary of the Tender Offeror (the "Transaction"). As of the date of this release, the Tender Offeror does not hold any of the Target Company Shares or the Share Acquisition Rights.

In addition, when conducting the Tender Offer, on March 14, 2025, the Tender Offeror entered into an agreement with Cocoa Asset Co., Ltd. ("Cocoa Asset"), which is the asset management company of Mr. Osami Kajimoto, the founder and Director and Chairman of the Target Company ("Mr. Kajimoto"), and the largest shareholder of the Target Company (number of shares held: 2,053,250 shares, ownership ratio (Note 1): 28.11%), to tender all of Target Company Shares that it holds in the Tender Offer (the "Tender Agreement (Cocoa Asset)"), an agreement with Hulic Co., Ltd. ("Hulic"), which is the second-largest shareholder of the Target Company (number of shares held: 672,750 shares, ownership ratio: 9.21%), to tender all of the Target Company Shares that it holds in the Tender Offer (the "Tender Agreement (Hulic)"), and an agreement with TOKYO GAS Co., Ltd. ("TOKYO GAS"), which is the third-largest shareholder of the Target Company (number of shares held: 622,750 shares, ownership ratio: 8.53%), to tender all of the Target Company Shares that it holds in the Tender Offer (the "Tender Agreement (Tokyo Gas)"). Accordingly, it has been agreed that all Target Company Shares held by Cocoa Asset, Hulic, and TOKYO GAS (total: 3,348,750 shares, ownership ratio: 45.84%) (hereinafter, Cocoa Asset, Hulic, and TOKYO GAS are collectively referred as the "Consenting Shareholders") will be tendered in the Tender Offer. For an outline of the Tender Agreement (Cocoa Asset), the Tender Agreement (Hulic), and the Tender Agreement (TOKYO GAS) (hereinafter, collectively referred to as the "Tender Agreement"), please refer to

"(6) Matters related to important agreements related to the Tender Offer" below.

(Note1) The "ownership ratio" refers to the ratio against 7,304,743 shares (the "Total Number of Shares After Allowing for Dilutive Shares"), which is the number of shares obtained by subtracting treasury shares (37 shares) held by the Target Company as of January 31, 2025, as stated in the "Summary of Financial Results for the First Quarter of the Fiscal Year Ending October 2025 [Japanese GAAP] (Unconsolidated)" published by the Target Company on March 14, 2025 (the "Summary of Financial Results of the Target Company") from the number of shares (7,304,780 shares) obtained by adding the total number of issued shares (6,585,010 shares) as of January 31, 2025, as stated in the Summary of Financial Results of the Target Company, and the number of Target Company Shares (719,770 shares) underlying 71,977 Share Acquisition Rights (Note 2), which is the total number of Share Acquisition Rights outstanding as reported by the Target Company on January 31, 2025, and subsequently rounding the result of this calculation to the second decimal place. The same shall apply hereinafter in the calculation of the ownership ratio.

(Note2) The breakdown of the Share Acquisition Rights reported by the Target Company as outstanding as of January 31, 2025, is as follows.

Name of the Share Acquisition Rights	Number of rights as of January 31, 2025 (rights)	Number of underlying Target Company Shares (shares)
Second Series Share Acquisition Rights	59,980	599,800
Third Series Share Acquisition Rights	6,802	68,020
Fourth Series Share Acquisition Rights	1,860	18,600
Fifth Series Share Acquisition Rights	3,335	33,350
Total	71,977	719,770

The Tender Offeror has set 4,869,800 shares (ownership ratio: 66.67%) as the minimum number of shares to be purchased in the Tender Offer, and if the total number of share certificates, etc., tendered in the Tender Offer ("Tendered Share Certificates, etc.") is less than the minimum number of shares to be purchased (4,869,800 shares), the Tender Offeror will not conduct the purchase, etc., of all of the Tendered Share Certificates, etc. On the other hand, as stated above, since the Tender Offeror aims to acquire all of the Target Company Shares (however, this includes the Target Company Shares to be delivered upon exercise of the Share Acquisition Rights, and excludes treasury shares held by the Target Company) and all of the Share Acquisition Rights, and to thus make the Target Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror has not set an upper limit for the number of shares to be purchased, and if the total number of Tendered Share Certificates, etc., is equal to or greater than the minimum number of shares to be purchased (4,869,800 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, etc. The minimum number of shares to be purchased (4,869,800 shares) is set at the number obtained by multiplying the number of voting rights pertaining to the Total Number of Shares after Allowing for Dilutive Shares (73,047 units) by 2/3 (48,698 units) by 100 shares, which is the number of shares per unit of the Target Company (4,869,800 shares).

The reason for setting the minimum number of shares to be purchased in this way is that, in the Tender Offer, the Tender Offeror aims for the Tender Offeror to be the sole shareholder of the Target Company. Accordingly, if the Tender Offeror fails to acquire all of the Target Company Shares (however, this includes the Target Company Shares to be delivered upon exercise of the Share Acquisition Rights, and excludes treasury shares held by the Target Company) and all of the Share Acquisition Rights in the Tender Offer, after the Tender Offer takes effect, the Tender Offeror plans to request the Target Company to implement a series of procedures to make the Tender Offeror the sole shareholder of the Target Company and make the Target Company a wholly-owned subsidiary (the "Squeeze-Out Procedures"), as described in "(4) Policies on organizational restructuring, etc., after the Tender Offer (matters related to so-called two-step acquisition)" below, and since a special resolution at a shareholders meeting as provided for in Article 309, paragraph (2) of the Companies Act (Act No. 86 of 2005; including subsequent revisions; the same applies hereinafter; the "Companies Act") is a requirement for conducting a consolidation of the Target Company Shares ("consolidation of shares") pursuant to Article 180 of the Companies Act for the Squeeze-Out Procedures, the Tender Offeror intends to

own 2/3 or more of the voting rights of all shareholders of the Target Company after the Tender Offer so that this requirement can be satisfied in order to ensure the execution of the Squeeze-Out Procedures.

If the Tender Offer takes effect, the Tender Offeror expects to use equity capital and cash on hand as funds for the settlement of the Tender Offer, and does not expect to procure any new funding.

According to the "Notice Concerning Expression of Opinion in Favor of Tender Offer for Share Certificates, etc., of the Company by Eisai Co., Ltd. and Recommendation to Tender" published by the Target Company on March 14, 2025 (the "Target Company Press Release"), at a meeting of the Board of Directors of the Target Company held on March 14, 2025, the Target Company resolved to express its opinion in favor of the Tender Offer and to recommend that shareholders of the Target Company and holders of the Share Acquisition Rights (the "Share Acquisition Rights Holders") tender in the Tender Offer. For details of the decision-making process of the Target Company's Board of Directors, please refer to the Target Company Press Release and item "⑤ Approval of all of the Target Company's Directors who have no conflicts of interest and opinion without objection of all of the Target Company's Audit & Supervisory Board Members who have no conflicts of interest" under "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below.

(2) Background, purpose, and decision-making process that led to the decision to conduct the Tender Offer, and management policies after the Tender Offer

The background, purpose, and decision-making process that led to the decision to conduct the Tender Offer, and management policies after the Tender Offer, are as follows. In the text below, descriptions regarding the Target Company are based on information published by the Target Company, the Target Company Press Release, and explanations received from the Target Company.

① Background, purpose, and decision-making process that led to the decision to conduct the Tender Offer

The Tender Offeror was established as Nihon Eisai Co., Ltd. in December 1941 and changed its name to the current Eisai Co., Ltd. in May 1955. The shares of the Tender Offeror were listed on the First Section of the Tokyo Stock Exchange in September 1961, and following revisions to the market divisions of the Tokyo Stock Exchange in April 2022, are now listed on the Prime Market of the Tokyo Stock Exchange.

As of the date of this release, the group of the Tender Offeror consists of the Tender Offeror, 48 consolidated subsidiaries, and 1 equity-method affiliate (the "Tender Offeror Group"), and is engaged in the pharmaceutical business in Japan and overseas. In the pharmaceutical business, the Tender Offeror engages in R&D, manufacturing, and sales of prescription medicines, OTC pharmaceuticals, and others, with a focus on the fields of dementia and oncology. The Tender Offeror's corporate concept is "human health care (*hhc*)" ("*hhc*"), under which, through its businesses, it gives first thought to patients and the people in the daily living domain, and increases the benefits (Note 1) that healthcare provides to them as well as meeting their diverse healthcare needs worldwide. In addition, in April 2021, the Tender Offeror Group formulated the medium-term business plan "EWAY Future & Beyond," with the vision of "supporting not only patients but also people in the daily living domain to realize their fullest life." Under this plan, it is striving to create solutions based on science and data (development and provision of new drugs, digital tools, etc.), utilizing the Tender Offeror Group's strengths in the neurology and oncology fields. In addition, based on the *hhc* concept that it has been practicing for many years, the Tender Offeror will promote processes for understanding the anxieties of customers and resolving them by formulating strategies for their removal. In cooperation with other industries, local governments, academia, and others, it aims to realize an ecosystem called "*hhceco* (*hhc* concept + ecosystem)," through which it will provide solutions to relievevarious customer anxieties. In particular, in the field of dementia, the Tender Offeror has been involved in drug discovery and disease awareness activities for more than four decades since starting research in 1983.

(Note 1) In the pharmaceutical industry, benefits refer to the improvement of symptoms, the cure of diseases, the reduction of physical and mental pain, the improvement of economic benefits by shortening the duration of treatment, and other positive impacts resulting from the use of pharmaceuticals.

On the other hand, according to the Target Company Press Release, the Target Company was established in November 2009, for the purpose of operating a home control business that enables the remote control of home appliances, lighting, etc., using a single remote controller. In February 2014, the Target Company applied sensor fusion technology (Note 2) cultivated in the home control business and released a monitoring service for the elderly based on sleep analysis technology, and in April of the same year, the Target Company released "Life Rhythm Navi," which enables users to check the life rhythms of facility residents. In such ways, the Target Company has been developing its businesses, particularly the monitoring services businesses, and in July 2023, the Target Company Shares were listed on the Growth Market of the Tokyo Stock Exchange.

The Target Company is developing AI and various other forms of software by applying the latest analysis technology to big data (Note 3) related to sleep and lifestyle habits obtained from various sensors to visualize feature values (Note 4), based on its management philosophy of "visualizing the present and the future and creating peace of mind for the next generation." In addition, as represented by the "Life Rhythm Navi Plus Doctor" (Note 5), the Target Company has implemented various types of AI (Note 6) that it has developed into solutions that are easy for customers to use, thus providing them as services that solve social issues by making them valuable.

(Note 2) "Sensor fusion technology" refers to technology that combines sensors that capture spatial information and sensors that capture biological information, and automatically analyzes and synthesizes various data captured to output the results of assessments in real time.

(Note 3) The Ministry of Internal Affairs and Communications defines "big data" as "data larger than typical database software can capture, store, manage, and analyze," but the Target Company treats continuous temporal data such as sleep, activity, temperature, and humidity for more than 30,000 users in total as big data.

(Note 4) "Feature values" refer to values in the process of transforming data and extracting meaningful results that can be used. In order to efficiently output results from big data, it is important to find useful feature values, and this is an area that requires analysts' expertise and technology.

(Note 5) "Life Rhythm Navi Plus Doctor" is a SaaS-type (Note 7) monitoring system for facilities for the elderly that utilizes sleep analysis technology and sensor fusion technology. By analyzing data from various sensors in the cloud and sending notifications to the terminals of nursing care staff, staff can identify the status of each room in real time. In addition to providing appropriate care tailored to each resident, this reduces unnecessary room visits to check the condition of residents and improves operational efficiency. Furthermore, "Life Rhythm Navi Plus Doctor" is a device that falls under the category of monitoring and communication (institutional use), which is a key area for the use of nursing care technology, and it is said that it will be eligible for subsidies and grants from the national and local governments when it is introduced (the requirements for the provision of subsidies and grants differ depending on the prefecture and municipality).

(Note 6) "Various types of AI" refers to "AI for dementia prediction," "AI for fatigue recovery prediction," "AI for life expectancy prediction," and other forms of AI that predict changes in health conditions derived by analyzing big data related to sleep data and lifestyle habits.

(Note 7) "SaaS" is an abbreviation for Software as a Service, and refers to a type of service in which application functions are provided over the Internet.

The Target Company is mainly developing the Life Rhythm Navi business as a single segment, and has created the commissioned research and development business for its business portfolio. In the Life Rhythm Navi business, the Target Company provides a SaaS-type monitoring service by combining proprietary analysis technology based on high-density and long-term sleep data and vital data (Note 8) that the Target Company has accumulated through its business with medical knowledge, and sensor fusion technology, which the Target Company has excelled at since its founding. Meanwhile, in the commissioned research and development business, the Target Company operates a value creation business without business domain limitations, focusing on big data that has been continuously accumulated through the Life Rhythm Navi business, technology that visualizes and assigns value to big data, and AI that predicts

changes in health conditions such as AI that predicts fatigue recovery and AI that predicts dementia, and has realized collaborations with partners in various fields, not only the nursing care and medical industries, but also housing-related businesses such as house manufacturers and developers, and clothing and bedding manufacturers.

(Note 8) "Vital data" refers to basic data related to life, such as heart rate, respiration rate, and body movement data.

The Tender Offeror is proceeding with business activities aimed at establishing a dementia platform (Note 9). Through the platform, the Tender Offeror aims to support the prevention and early detection of mild cognitive impairment (MCI) and dementia in healthy people and people at high risk before onset, and to support people living their own lives after the onset of dementia, not only through the provision of drugs, but also through other solutions (communication apps, exercise programs, etc.). The Tender Offeror believes that direct contact between the platform's core solutions (Note 10) and customers is important for the realization of this platform, and has been exploring collaboration with various companies that may have solutions and customer contact points that will contribute to the creation of the platform. Under these circumstances, the Tender Offeror felt that the Target Company's "Life Rhythm Navi" could become one of the core solutions of this platform. With the aim of building an ecosystem in the field of dementia, which is a pressing issue in Japan's super-aged society, on July 24, 2024, the Tender Offeror and the Target Company concluded a business alliance agreement. The aim is to promote initiatives such as a demonstration experiment to encourage residents of facilities for the elderly to notice changes in their cognitive functions, using the Target Company's "Life Rhythm Navi" and patented "dementia prediction model" technology, as well as the Tender Offeror's digital brain health check tool "NouKNOW" (non-medical device), etc., and in the future, joint research for the early detection of MCI and dementia among healthy elderly people, and studies of the applicability of the dementia prediction model in the home care field. Furthermore, based on the demonstration experiment, the results of which are expected to show a potential new medical flow for MCI and dementia sufferers through the intervention of nursing care staff at facilities, and based on the belief that further collaboration with the Target Company can be expected to contribute to the prevention of MCI and dementia and early medical examinations, the Tender Offeror began to consider a capital alliance in late August 2024.

(Note 9) The "Dementia Platform" is a proprietary initiative of the Tender Offeror to provide appropriate services, etc., for everyone from the general public (people without conditions) to dementia sufferers and their families, based on collaboration between various industries and organizations and the utilization of data held by the Tender Offeror to solve dementia-related issues.

(Note 10) "Core Solutions" refer to services of the Tender Offeror or partner companies that play an important role in acquiring a large number of contact points with customers, and for the Target Company, "Life Rhythm Navi" falls under this category.

Subsequently, in early October 2024, the Tender Offeror came to the conclusion that a capital alliance between the Tender Offeror and the Target Company would be a reasonable strategy to achieve further growth and enhance corporate value, and that prompt and flexible decision-making through the Tender Offeror making the Target Company a wholly-owned subsidiary would be necessary to create even more synergies. After this consideration, the Tender Offeror submitted an initial proposal to the Target Company on November 15, 2024 (the "Proposal") expressing its intention to acquire the Target Company Shares with the assumption that it would make the Target Company a wholly-owned subsidiary through the tender offer and subsequent squeeze-out procedures.

In parallel with the above process, the Tender Offeror appointed TMI Associates as its legal advisor independent from the Tender Offeror and the Target Company in mid-October 2024 and Nomura Securities Co., Ltd. ("Nomura Securities") as its financial advisor independent from the Tender Offeror and the Target Company in mid-November 2024, in order to commence specific consideration of the Transaction.

Subsequently, from early December 2024 to late January 2025, the Tender Offeror Group conducted due diligence related to the Target Company's business, finance, taxation, legal affairs, and other matters, as well as interviews with the Target Company's senior management, and further analyzed and considered matters such as specific measures to create business synergies between the Tender Offeror Group and the Target Company, as well as management policies

after the Tender Offeror makes the Target Company a wholly-owned subsidiary.

As a result of this consideration, the Tender Offeror has concluded that the Transaction will provide the following synergies and benefits to the Tender Offeror and the Target Company. Furthermore, the Tender Offeror believes that if the privatization of the Target Company Shares is not assumed, although the measures to realize these synergies and benefits are expected to contribute to the growth and enhancement of the corporate value of the Target Company over the medium to long term, they may require considerable time and investment as well as reforms of existing businesses, causing a temporary decline in profit levels and cash flows. If the Tender Offeror does not adopt the assumption that the Target Company Shares will be delisted, there is a concern that the market share price of the Target Company Shares may be adversely affected in the short term, causing a disadvantage to minority shareholders of the Target Company. In addition, if the Target Company is not a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror will not be able to fully pursue these synergies, owing to restrictions on the mutual utilization of management resources, etc., the difficulty of adopting medium- to long-term strategic investments, and the time required for decision-making. Accordingly, the Tender Offeror believes that it will be essential to make the Target Company a wholly-owned subsidiary, in order to maximize the synergies and benefits.

(a) Spread and expansion of "Life Rhythm Navi Plus Doctor" utilizing the Tender Offeror's customer contact points

The Tender Offeror believes that it will be possible to promote the spread and expansion of "Life Rhythm Navi Plus Doctor" utilizing the Tender Offeror's name recognition, to expand sales channels to hospitals nationwide that the Tender Offeror has built, and to expand sales channels to hospitals and facilities for the elderly managed by hospitals, through introductions to the senior management of group hospitals.

(b) Establishment of pathways to contribute to the prevention of MCI and dementia and early medical examinations by utilizing the customer contact points of the Target Company (Note 11)

The Tender Offeror believes that it will be possible to create pathways that will lead to the encouragement of visits to medical institutions by visualizing risks using the Target Company's dementia prediction AI and the Tender Offeror's "NouKNOW" on users of "Life Rhythm Navi Plus Doctor". The Tender Offeror believes that the creation of such pathways throughout Japan will enhance the added value of the Target Company's "Life Rhythm Navi Plus Doctor," while also encouraging early examinations, diagnosis, and treatment among sufferers with undiagnosed MCI and dementia in Japan, thereby significantly expanding its contribution to sufferers, while also increasing contribution to sufferers through Alzheimer's dementia therapeutic products, and other products developed by the Target Company.

(Note 11) The "creation of pathways" refers to the creation of systems that contribute to prevention and early medical examinations.

(c) Expansion of contribution to the home care market with "Life Rhythm Navi" for home use (Note 12)

The Tender Offeror is building a business for The People (Note 13), which refers not only to patients but also to people in the daily living domain, and the Tender Offeror intends to work together with the Target Company to develop and create a market centered on the Target Company's "Life Rhythm Navi" for home use. The Tender Offeror believes that leveraging the Tender Offeror's brand strength, capital strength, and contact points with physicians and local governments that provide home medical care will lead to the expansion of "Life Rhythm Navi" for home use and contribute to improving the quality of life (Note 14) of patients and their caregivers.

(Note 12) "Life Rhythm Navi' for home use" is a service in which the expertise cultivated with "Life Rhythm Navi Plus Doctor" is optimized and deployed for the home care field, and it has functions such as identifying the user's sleep status and checking the indoor environment. Furthermore, "Life Rhythm Navi Plus Doctor" is a device that falls under the category of monitoring and communication (home use), which is a key area for the use of nursing care technology, and it is said that it will be eligible for subsidies and grants from the national and local governments when it is introduced (the

requirements for the provision of subsidies and grants differ depending on the prefecture and municipality).

(Note 13) "The People" refers to general consumers (people who are not suffering from any disease).

(Note 14) "Quality of life" refers to the quality of each individual's life and lifestyle, and is a measure of how much a person is able to lead a human, fulfilling life, and find happiness.

(d) Development and provision of new solutions and services utilizing accumulated data

The Tender Offeror believes that by utilizing the data accumulated through the Target Company's "Life Rhythm Navi Plus Doctor" and the data accumulated through the Tender Offeror's *hhceco*, it will be possible to provide new services in fields related to multiple diseases, such as the development of new solutions that contribute to solving problems related to MCI and dementia, and the development of solutions that use sleep data to contribute in areas such as insomnia and epilepsy. In addition, studies concerning the development of predictive models related to the onset and progression of various diseases are progressing rapidly, thanks in part to the contribution of AI. In the field of dementia, the Tender Offeror believes that it will be important to accumulate data obtained from daily life in addition to medical data, and to utilize this data for the development of next-generation drug discovery and conception of new treatment systems.

On the other hand, the Tender Offeror also considered the disadvantages of implementing the Transaction. Since the Transaction is based on the assumption that the Target Company Shares will be delisted, the possibility of an impact on securing excellent human resources, expanding business partners, etc., enabled by the enhancement of the Target Company's social creditworthiness and name recognition, which it has enjoyed as a listed company, may generally be considered as a disadvantage. However, since the Target Company will be in the same group as the Tender Offeror Group and the Target Company will be able to acquire the social creditworthiness, etc., of the Tender Offeror Group, the Tender Offeror believes the disadvantages associated with the implementation of the Transaction for the Target Company will be limited, and the advantages of delisting the Target Company Shares exceed the disadvantages.

Under these circumstances, the Tender Offeror comprehensively considered factors such as the results of analysis and due diligence based on the business plan (the "Business Plan") submitted by the Target Company for the ten-year period from the fiscal year ending October 2025 to the fiscal year ending October 2034. As a result, on February 12, 2025, the Tender Offeror proposed to the Target Company that the price for the purchase, etc., per Target Company Share (the "Tender Offer Price"), assuming that the Target Company does not pay an interim dividend for the fiscal year ending October 2025, would be 1,700 yen (the price with a premium of 10.39% added to the closing price of 1,540 yen of the Target Company Shares on February 10, 2025, the business day immediately preceding the proposal date (the premium is rounded to the second decimal place; the same applies to the calculation of the premium rate below)), and that the price for the purchase, etc., per Share Acquisition Right (the "Share Acquisition Rights Purchase Price") would be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right, which would be 16,250 yen per Second Series Share Acquisition Right, 13,500 yen per Third Series Share Acquisition Right, 13,330 yen per Fourth Series Share Acquisition Right, and 7,560 yen per Fifth Series Share Acquisition Right.

On February 14, 2025, the Target Company and the Special Committee (as defined in "② Decision-making process and reasons that led to the Target Company's support for the Tender Offer" below; the same applies hereinafter) responded with a request for the submission of another proposal for the Tender Offer Price, from the viewpoint of protecting the interests of the minority shareholders of the Target Company and fulfilling their accountability as the Target Company.

In response, on February 19, 2025, the Tender Offeror proposed to the Target Company that the Tender Offer Price would be 1,950 yen (the price with a premium of 33.93% added to the closing price of 1,456 yen of the Target Company Shares on February 18, 2025, the business day immediately preceding the proposal date), and that Share

Acquisition Rights Purchase Price would be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right, which would be 18,750 yen per Second Series Share Acquisition Right, 16,000 yen per Third Series Share Acquisition Right, 15,830 yen per Fourth Series Share Acquisition Right, and 10,060 yen per Fifth Series Share Acquisition Right.

On February 20, 2025, the Target Company and the Special Committee responded with a request for the submission of another proposal for the Tender Offer Price, from the viewpoint of protecting the interests of the minority shareholders of the Target Company and fulfilling their accountability as the Target Company.

In response, on February 27, 2025, the Tender Offeror proposed to the Target Company that the Tender Offer Price would be 2,080 yen (the price with a premium of 39.32% added to the closing price of 1,493 yen of the Target Company Shares on February 26, 2025, the business day immediately preceding the proposal date), and that Share Acquisition Rights Purchase Price would be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right, which would be 20,050 yen per Second Series Share Acquisition Right, 17,300 yen per Third Series Share Acquisition Right, 17,130 yen per Fourth Series Share Acquisition Right, and 11,360 yen per Fifth Series Share Acquisition Right.

On February 28, 2025, the Target Company and the Special Committee responded with a request for the submission of another proposal for the Tender Offer Price, from the viewpoint of protecting the interests of the minority shareholders of the Target Company and fulfilling their accountability as the Target Company.

In response, on March 6, 2025, the Tender Offeror proposed to the Target Company that the Tender Offer Price would be 2,150 yen (the price with a premium of 36.51% added to the closing price of 1,575 yen of the Target Company Shares on March 5, 2025, the business day immediately preceding the proposal date), and that Share Acquisition Rights Purchase Price would be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right, which would be 20,750 yen per Second Series Share Acquisition Right, 18,000 yen per Third Series Share Acquisition Right, 17,830 yen per Fourth Series Share Acquisition Right, and 12,060 yen per Fifth Series Share Acquisition Right.

On March 7, 2025, the Target Company and the Special Committee proposed the Tender Offer Price of 2,250 yen, from the viewpoint of protecting the interests of the minority shareholders of the Target Company and fulfilling their accountability as the Target Company.

In response, on March 10, 2025, the Tender Offeror proposed to the Target Company that the Tender Offer Price would be 2,190 yen (the price calculated by a premium of 44.55% being added to the closing price of 1,515 yen of the Target Company Shares on March 7, 2025, the business day immediately preceding the proposal date), and that the Share Acquisition Rights Purchase Price would be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right, which would be 21,150 yen per Second Series Share Acquisition Right, 18,400 yen per Third Series Share Acquisition Right, 18,230 yen per Fourth Series Share Acquisition Right, and 12,460 yen per Fifth Series Share Acquisition Right.

In response, on March 11, 2025, the Tender Offeror received a response from the Target Company and the Special Committee agreeing to the proposal, on the assumption of passing a resolution at the Target Company's Board of Directors meeting to be held on March 14, 2025.

As a result of the above considerations, discussions, and negotiations, the Tender Offeror and the Target Company reached an agreement on a Tender Offer Price of 2,190 yen. Accordingly, the Tender Offeror decided to implement the Tender Offer as part of the Transaction on March 14, 2025.

② Decision-making process and reasons that led to the Target Company's support for the Tender Offer

As described in item "① Background, purpose, and decision-making process that led to the decision to conduct the Tender Offer" above, the Target Company received the Proposal from the Tender Offeror on November 15, 2024,

and therefore commenced specific consideration of the Transaction.

As described in "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below, in the Transaction, it is assumed that general shareholders of the Target Company will ultimately be squeezed out in exchange for money, and therefore, the appropriateness of the transaction terms is thought to be particularly important for the interests of the Target Company's shareholders. Accordingly, in order to eliminate arbitrariness in the decision-making process for the Transaction and ensure fairness, transparency, and objectivity, at a meeting of the Board of Directors of the Target Company held on November 20, 2024, the Target Company resolved to appoint Trustees Advisory Co., Ltd. ("Trustees") as a financial advisor and third-party valuation institution independent of the Tender Offeror, the Target Company, and the Consenting Shareholders, and City-Yuwa Partners as a legal advisor independent of the Tender Offeror, the Target Company, and the Consenting Shareholders with regard to the Transaction, and also to establish a special committee consisting of members independent of the Tender Offeror, the Target Company, and the Consenting Shareholders (the following three persons: Kazuma Doi (certified public accountant and certified public tax accountant), who is an Outside Director and independent officer of the Target Company; Masaaki Suda (certified public accountant), who is an Outside Audit & Supervisory Board Member and independent officer of the Target Company; and Hiroyasu Sato (attorney), who is an Outside Audit & Supervisory Board Member and independent officer of the Target Company) (the "Special Committee"; for information about the specific activities, etc., of the Special Committee, please refer to "③ Establishment of Special Committee independent of the Target Company and acquisition of report from the Special Committee" under "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below), and in this way, the Target Company created a system for considering the Transaction.

Under the above system, taking into consideration the outline of the Tender Offer, including the purpose of the Transaction, the impact of the Transaction on the Target Company, the details of management policies after the Transaction, and current trends in the share price, the Target Company shared the Tender Offer Price and the Share Acquisition Rights Purchase Price proposals received from the Tender Offeror with the Special Committee in a timely manner, and from the viewpoint of giving consideration to the interests of the general shareholders of the Target Company, based on the opinions, instructions, and requests from the Special Committee regarding the Target Company's negotiation policy, the Target Company held five (5) rounds of discussions and negotiations with the Tender Offeror lasting until mid-March 2025, while receiving advice from Trustees and City-Yuwa Partners as follows.

Specifically, on January 8, 2025, the Target Company interviewed the Tender Offeror through the Special Committee, when it received explanations and asked questions regarding matters such as the consideration process that led to the proposal for the Transaction, the details of measures expected after the Transaction, the details and extent of the benefits, disadvantages, and other effects expected from the Transaction, and the Target Company's management policies expected after the Transaction. Based on this, the Target Company commenced discussions and negotiations with the Tender Offeror concerning the terms and conditions of the Transaction, including the Tender Offer Price and the Share Acquisition Rights Purchase Price, from early February 2025, while also continuing to examine whether the Transaction will contribute to the enhancement of the corporate value of the Target Company.

Namely, on February 12, 2025, based on the assumption that the Target Company would not pay an interim dividend for the fiscal year ending October 2025, the Tender Offeror proposed to the Target Company that the Tender Offer Price would be 1,700 yen (the price calculated by a premium of 10.39% being added to the closing price of 1,540 yen of the Target Company Shares on February 10, 2025, the business day immediately preceding the proposal date, 10.89% being added to the simple average closing price of 1,533 yen for the period of one month prior to the proposal date (rounded to the nearest decimal place; the same calculation is used to determine premiums hereinafter), 11.55% being added to the simple average closing price of 1,524 yen for the period of three months prior to the proposal date, and 4.62% being added to the simple average closing price of 1,625 yen for the period of six months prior to the proposal date), and that Share Acquisition Rights Purchase Price would be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share

underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right, which would be 16,250 yen per Second Series Share Acquisition Right, 13,500 yen per Third Series Share Acquisition Right, 13,330 yen per Fourth Series Share Acquisition Right, and 7,560 yen per Fifth Series Share Acquisition Right.

On February 14, 2025, the Target Company and the Special Committee requested that the Tender Offeror submit another proposal for the Tender Offer Price, from the viewpoint of protecting the interests of the minority shareholders of the Target Company and fulfilling their accountability as the Target Company.

Subsequently, on February 19, 2025, the Tender Offeror proposed to the Target Company that the Tender Offer Price would be 1,950 yen (the price calculated by a premium of 33.93% being added to the closing price of 1,456 yen of the Target Company Shares on February 18, 2025, the business day immediately preceding the proposal date, 25.64% being added to the simple average closing price of 1,552 yen for the period of one month prior to the proposal date, 28.80% being added to the simple average closing price of 1,514 yen for the period of three months prior to the proposal date, and 20.44% being added to the simple average closing price of 1,619 yen for the period of six months prior to the proposal date), and that Share Acquisition Rights Purchase Price would be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right, which would be 18,750 yen per Second Series Share Acquisition Right, 16,000 yen per Third Series Share Acquisition Right, 15,830 yen per Fourth Series Share Acquisition Right, and 10,060 yen per Fifth Series Share Acquisition Right.

On February 20, 2025, the Target Company requested that the Tender Offeror submit another proposal for the Tender Offer Price, from the viewpoint of protecting the interests of the minority shareholders of the Target Company and fulfilling their accountability as the Target Company.

In response, on February 27, 2025, the Tender Offeror proposed to the Target Company that the Tender Offer Price would be 2,080 yen (the price calculated by a premium of 39.32% being added to the closing price of 1,493 yen of the Target Company Shares on February 26, 2025, the business day immediately preceding the proposal date, 35.15% being added to the simple average closing price of 1,539 yen for the period of one month prior to the proposal date, 38.57% being added to the simple average closing price of 1,501 yen for the period of three months prior to the proposal date, and 29.43% being added to the simple average closing price of 1,607 yen for the period of six months prior to the proposal date), and that the Share Acquisition Rights Purchase Price would be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right, which would be 20,050 yen per Second Series Share Acquisition Right, 17,300 yen per Third Series Share Acquisition Right, 17,130 yen per Fourth Series Share Acquisition Right, and 11,360 yen per Fifth Series Share Acquisition Right.

On February 28, 2025, the Target Company requested that the Tender Offeror submit another proposal for the Tender Offer Price, from the viewpoint of protecting the interests of the minority shareholders of the Target Company and fulfilling their accountability as the Target Company.

Subsequently, on March 6, 2025, the Target Company accepted the proposal of the Tender Offeror that the Tender Offer Price would be 2,150 yen (the price calculated by a premium of 36.51% being added to the closing price of 1,575 yen of the Target Company Shares on March 5, 2025, the business day immediately preceding the proposal date, 42.95% being added to the simple average closing price of 1,504 yen for the period of one month prior to the proposal date, 43.43% being added to the simple average closing price of 1,499 yen for the period of three months prior to the proposal date, and 34.88% being added to the simple average closing price of 1,594 yen for the period of six months prior to the proposal date), and that Share Acquisition Rights Purchase Price would be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right, which would be 20,750 yen per Second Series Share Acquisition Right, 18,000 yen per Third Series Share Acquisition Right, 17,830 yen per Fourth Series Share Acquisition Right, and 12,060 yen per Fifth Series Share

Acquisition Right.

In response, on March 7, 2025, Tender Offeror proposed to the Target Company that the Tender Offer Price would be 2,250 yen, from the viewpoint of protecting the interests of the minority shareholders of the Target Company and fulfilling their accountability as the Target Company.

Subsequently, on March 10, 2025, the Tender Offeror proposed to the Target Company that the Tender Offer Price would be 2,190 yen (the price calculated by a premium of 44.55% being added to the closing price of 1,515 yen of the Target Company Shares on March 7, 2025, the business day immediately preceding the proposal date, 45.32% being added to the simple average closing price of 1,507 yen for the period of one month prior to the proposal date, 46.00% being added to the simple average closing price of 1,500 yen for the period of three months prior to the proposal date, and 37.65% being added to the simple average closing price of 1,591 yen for the period of six months prior to the proposal date), and that the Share Acquisition Rights Purchase Price would be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right, which would be 21,150 yen per Second Series Share Acquisition Right, 18,400 yen per Third Series Share Acquisition Right, 18,230 yen per Fourth Series Share Acquisition Right, and 12,460 yen per Fifth Series Share Acquisition Right.

In response, the Target Company responded to the Tender Offeror on March 11, 2025 stating that it accepted the proposal on the assumption that the final decision will be made by passing a resolution at the Target Company's Board of Directors meeting scheduled to be held on March 14, 2025.

In addition, the Target Company received necessary legal advice from City-Yuwa Partners, its legal advisor, on the decision-making method and process of the Target Company's Board of Directors, including various procedures related to the Transaction and other points to keep in mind, and also received a report dated March 13, 2025 (the "Report") from the Special Committee (for an outline of the Report, please refer to "③ Establishment of Special Committee independent of the Target Company and acquisition of report from the Special Committee" under "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below). Subsequently, based on the content of the legal advice the Target Company received from City-Yuwa Partners, its legal advisor, and a share valuation report acquired from Trustees, a third-party valuation institution, dated March 13, 2025 (the "Share Valuation Report (Trustees)"; furthermore, the Target Company has not obtained a valuation report from the third-party valuation institution concerning the value of the Share Acquisition Rights because the Share Acquisition Rights Purchase Price is determined based on the Tender Offer Price, as the difference between the Tender Offer Price and the exercise price per Target Company Share underlying each Share Acquisition Right multiplied by the number of shares underlying each Share Acquisition Right), the Target Company carefully discussed and considered matters such as whether the Transaction could enhance the corporate value of the Target Company and whether the terms and conditions of the Transaction, including the Tender Offer Price and the Share Acquisition Rights Purchase Price, were appropriate, while respecting the contents of the Report submitted by the Special Committee to the maximum extent.

As a result, the Target Company concluded that, based on the following points, etc., the Target Company becoming a wholly-owned subsidiary of the Tender Offeror through the Transaction would contribute to the enhancement of the corporate value of the Target Company.

(a) Expansion in sales of "Life Rhythm Navi Plus Doctor" to medical institutions or nursing facilities, etc., belonging to the same corporation as the medical institutions

In light of the nature of the business of the Tender Offeror, the Target Company believes that the Tender Offeror has sales channels across Japan that the Target Company does not have, and that can be used to expand sales to medical institutions or nursing facilities, etc., belonging to the same corporation as the medical institution. The Target Company believes that, when expanding sales of "Life Rhythm Navi Plus Doctor" to medical institutions, etc., nationwide in the future, it will be possible to expand sales to medical institutions, etc., by utilizing the name

recognition and sales channels of the Tender Offeror.

(b) Expansion in sales of "Life Rhythm Navi" for home use

The Target Company believes that applying the Target Company's dementia prediction AI to elderly people living alone (including those requiring long-term care) and suggesting the possibility of cognitive decline to the elderly people and their families will enable an early response. By using the Tender Offeror's name recognition and brand power to advertise and promote these efforts, the Target Company believes that the Tender Offeror will be able to develop the home-related market more efficiently than the Target Company itself.

(c) Reduction in burden from delisting

By making the Target Company a wholly-owned subsidiary of the Tender Offeror and delisting the Target Company Shares, the Target Company believes that it will be possible to reduce the human and economic costs necessary to maintain the listing of the shares, facilitating the more effective use of management resources.

If the Transaction was limited to a capital alliance between the Target Company and the Tender Offeror that maintained the listing of the Target Company's shares, the Target Company would be required to conduct independent management that takes into consideration the interests of general shareholders as a listed company, the Tender Offeror would not be able to receive a 100% return on its investment in the Target Company, and this would make it difficult for both parties to fully share management resources. Therefore, the Target Company believes that limits would be imposed on the realization of the above synergies. Therefore, in order to maximize synergies with the Tender Offeror Group, the Target Company believes that it and the Tender Offeror becoming a wholly-owned subsidiary and parent company is the optimal method for aligning the interests of both parties.

On the other hand, as a demerit of delisting, it may generally be considered as a disadvantage that the Target Company will not be able to procure funds from the capital market and will not be able to obtain the benefits that it has enjoyed as a listed company, such as the improvement of its name recognition and social credibility. However, the Target Company does not plan to procure funds from the market for the time being, and can also expect to receive financing, etc., from the Tender Offeror Group based on the normal expectation of the provision of necessary financing between group companies. Furthermore, the Tender Offeror, as a company whose shares are listed on the Prime Market of the Tokyo Stock Exchange, is considered to have sufficient name recognition and brand power, and the participation of the Target Company in the Tender Offeror Group will in fact contribute to the improvement of the name recognition and brand power of the Target Company. Therefore, delisting is not expected to cause any particular concern in terms of the social credibility of the Target Company, and the Target Company thus does not expect the delisting of the Target Company Shares to result in any particular disadvantage. In addition, as stated above, becoming a wholly-owned subsidiary of the Tender Offeror is expected to further improve the name recognition and brand power of the Target Company and contribute to the expansion of sales of the Target Company's products, and the Target Company does not anticipate any disadvantages or dis-synergies from becoming a wholly-owned subsidiary of the Tender Offeror, such as the reduction of business partners.

The Target Company has long analyzed the needs and thinking of potential customers of Life Rhythm Navi, and expects that these customers would want to use the monitoring services of a company that can be relied upon on a long-term basis because nursing care is a job that may last for a few decades. In order to meet these needs and ideas, the Target Company started considering listing its shares in 2021, and has been making efforts such as developing an organizational structure to become a listed company, formulating reasonable business plans, developing and operating corporate governance and internal control systems, developing an audit system, and recruiting personnel associated with these efforts. The Target Company believes that, as a result of its continued business activities as a listed company since the listing of the Target Company Shares on the Tokyo Stock Exchange Growth Market in July 2023, the Target Company has achieved the purpose of listing the Target Company Shares to some extent by meeting the needs and thinking of those prospective customers and by successfully making it less likely that the Target Company is not on potential customers' list of candidate service providers when they consider introducing digital transformation (DX)

in nursing care (Notes 1 and 2), as compared with leading, well-known competitors. On the other hand, the Target Company is aware that there is a custom in the nursing care industry that "nursing care is handled by human hands," and that, due to the aging of nursing care personnel and due to the slow spread and low level of awareness of ICT and the IoT, there is a tendency to be cautious about their introduction. The Target Company believes that this has resulted in a barrier to the expansion of the digital transformation (DX) in nursing care. The Target Company considers that under these circumstances, it would be difficult for the company to quickly develop new customers at home and in hospitals solely through its own corporate efforts. Therefore, the Target Company, with the aim of promptly achieving further growth of the Life Rhythm Navi business, believes that, despite being delisted, becoming a wholly-owned subsidiary of the Tender Offeror will contribute to the enhancement of the Target Company's corporate value rather than aiming to grow on its own by maintaining its listed status. This is because, as described above, the Tender Offeror has a nationwide sales channel for expanding sales to medical institutions or nursing care facilities run by the same corporations as these medical institutions, and is not only engaged in drug discovery and disease awareness activities as a pioneer in the field of dementia, but is also considered to have name recognition and brand power as a pharmaceutical company that is globally engaged in research and development, manufacturing, sales, and other businesses, with a focus on ethical drugs.

As described in "③ Notice of Dissolution of Business Alliance" in "(3) Other information deemed necessary for investors to determine whether or not to tender shares in the purchase, etc." under "4. Other" below, the Target Company's business alliance with TOKYO GAS will be dissolved at the time of Tender Offer. However, the expected dissolution of the business alliance has nothing to do with consummation of the Transaction. In addition, the Life Rhythm Navi + Home service that has been provided by TOKYO GAS will be continued and developed independently by the Target Company as a home-based service. Therefore, the Target Company does not anticipate any impact on its business from the expected dissolution of the business alliance with TOKYO GAS. The Target Company will also dissolve its capital relationship with Hulic upon the Tender Offer taking effect. However, there will be no changes in Hulic's Smart Senior Housing Project or in the Target Company's structure for cooperation with Hulic after consummation of the Transaction. The Target Company does not anticipate any impact on its business from the expected dissolution of its capital relationship with Hulic.

(Note 1) "DX" is an abbreviation for "Digital Transformation," and refers to the process of using digital technology to transform the shape and style of business, society, and everyday life.

(Note 2) "Nursing care DX" refers to the introduction of ICT devices and services into the nursing care field to improve operational efficiency and productivity.

Furthermore, in light of the following points, etc., the Target Company has determined that the Tender Offer Price (2,190 yen), the Share Acquisition Rights Purchase Price (21,150 yen per Second Series Share Acquisition Right, 18,400 yen per Third Series Share Acquisition Right, 18,230 yen per Fourth Series Share Acquisition Right, and 12,460 yen per Fifth Series Share Acquisition Right), and other terms and conditions of the Tender Offer are appropriate for the shareholders and the Share Acquisition Rights Holders of the Target Company, and that the Tender Offer will provide the shareholders and the Share Acquisition Rights Holders of the Target Company with a reasonable opportunity to sell their shares and the Share Acquisition Rights.

(a) The Tender Offer Price is above the upper limit of the price range of the calculation results based on the market price method, as well as being above the upper limit of the price range of the calculation results based on the comparable listed company method, and it is also above the median and close to the upper limit of the results of the calculation based on the discounted cash flow method (the "DCF method"), among the results of the calculation of the value of the Target Company Shares by Trustees, as described in "② Acquisition of share valuation report from independent third-party valuation institution by the Target Company" under "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below.

(b) The Tender Offer Price is the price to which a premium has been added of 31.61% against the closing price

of 1,664 yen of the Target Company Shares on the Tokyo Stock Exchange Growth Market on March 13, 2025, the business day immediately preceding the announcement date of the Tender Offer, 43.80% against the simple average closing price of 1,523 yen for the period of one month preceding March 13, 2025, 45.81% against the simple average closing price of 1,502 yen for the period of three months preceding this date, and 38.08% against the simple average closing price of 1,586 yen for the most recent six months, and compared with the median (Note 3) of the premium ratios in similar transactions involving other companies, it is below the average seen in the cases of other companies. However, since it is above the closing price of the Target Company Shares on the business day immediately preceding the date of announcement, the simple average closing price for the most recent one month, and the simple average closing price for the most recent three months in the case of other companies, the Tender Offer Price can be evaluated as having a premium that is comparable to the premium percentage in the cases of other companies.

(Note 3) As a result of referring to the premium ratio in 59 cases of tender offers where it was assumed the acquired company would be delisted, excluding unsuccessful cases, cases involving a discount tender offer, and cases involving two-step tender offer transactions, announced during the period from June 28, 2019, when the Ministry of Economy, Trade and Industry announced the "Fair M&A Guidelines," (the "M&A Guidelines") to February 28, 2025, the Target Company has determined that the median premiums to the closing price on the business day prior to the announcement date and the simple average of the closing prices for the preceding period of one month, the preceding period of three months, and the preceding period of six months were 37.48%, 36.90%, 42.34%, and 46.36%, respectively.

(Note 4) The term "management buyout (MBO)" generally refers to a transaction in which the management of the company to be acquired contributes all or part of the funds for the acquisition and acquires the shares of the company to be acquired on the assumption that the company to be acquired will continue to operate its businesses.

(c) Although the Tender Offer Price is below the all-time high of the Target Company Shares (3,725 yen, August 1, 2023) since listing, the market share price of the Target Company Shares fluctuated relatively substantially during the first year immediately after the listing, and the all-time high was recorded during this fluctuating period. The market price of the Target Company Shares has shown a stable trend after the first anniversary of their listing (July 26, 2024) compared to the period before that. However, as of March 13, 2025, considering the Target Company's PBR level, which exceeds three times, it can be interpreted that the market has continued to assign a certain level of valuation to the Target Company Shares on the Tokyo Stock Exchange Growth Market even after the first anniversary of their listing. On the other hand, as noted above, considering that the Tender Offer Price exceeds the median and is close to the upper limit of the valuation results based on the DCF method conducted by an independent third-party valuation institution, it can be evaluated that the intrinsic value that the Target Company can achieve is appropriately reflected. Accordingly, the Tender Offer Price can be considered a reasonable level from the perspective of protecting the minority shareholders of the Target Company.

(d) The Share Acquisition Rights Purchase Price is calculated based on the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company's Shares underlying each Share Acquisition Right by the number of the Target Company's Shares underlying each Share Acquisition Right (10 for Second Series Share Acquisition Rights, 10 for Third Series Share Acquisition Rights, 10 for Fourth Series Share Acquisition Rights, and 10 for Fifth Series Share Acquisition Rights). Accordingly, the interests to be received by the Share Acquisition Rights Holders from the Transaction are ensured.

(e) It is recognized that the interests of the general shareholders of the Target Company are being taken into consideration, such the adoption of measures to ensure the fairness of the Tender Offer, as described in "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender

Offer Price and measures to avoid conflicts of interest" below.

(f) The Tender Offer Price is a price that has been determined through sincere and continuous discussions and negotiations between the Target Company and the Tender Offeror, after the adoption of measures to ensure the fairness of the Tender Offer described above.

(g) The Special Committee has received reports on the status of negotiations from the Target Company in a timely manner, and has been substantially involved in the process of negotiating the terms and conditions of the Transaction, including the provision of opinions, instructions, requests, etc., on the Target Company's negotiation policy, and the Report expresses an opinion to the effect that the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate in light of the interests of the general shareholders of the Target Company, as described in "③ Establishment of Special Committee independent of the Target Company and acquisition of report from the Special Committee" under "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below.

The Target Company listed its shares on the Growth Market of the Tokyo Stock Exchange in July 2023. The Target Company has decided to agree to the Transaction which involves the delisting of the Target Company Shares approximately one year and eight months after the listing. In this regard, as described above, the Transaction is expected to enable the Target Company to greatly accelerate the expansion of its customer base, as well as the dissemination of "Life Rhythm Navi" to hospitals and other medical institutions, which the Target Company aims to achieve, by utilizing the extensive sales channels of the Tender Offeror, which is a pharmaceutical company that is not only engaged in drug discovery and disease awareness activities as a pioneer in the field of dementia but is also globally engaged in research and development, manufacturing, sales, and other businesses, with a focus on ethical drugs. This will be made possible by making the Target Company a member of the Tender Offeror Group after delisting the Target Company Shares. Therefore, regardless of the period after the listing of the Target Company Shares, the Target Company reached the conclusion that accepting the Tender Offeror's proposal for the Transaction will contribute to the enhancement of the Target Company's corporate value, and the Target Company decided to agree to the Transaction. The Target Company also reached the conclusion that the Tender Offer will be a reasonable opportunity for its shareholders to sell their shares in the Target Company regardless of the period after the listing of the Target Company Shares, since the Transaction is expected to enhance the Target Company's corporate value as described above, and since the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable for the shareholders of the Target Company as described above.

Based on the above, at a meeting of its Board of Directors held on March 14, 2025, the Target Company resolved to express an opinion of support for the Tender Offer and to recommend that shareholders and holders of the Share Acquisition Rights of the Target Company tender their shares in the Tender Offer. For details of the method of resolution at the above meeting of the Board of Directors, please refer to item "⑤ Approval of all of the Target Company's Directors who have no conflicts of interest and opinion without objection of all of the Target Company's Audit & Supervisory Board Members who have no conflicts of interest" under "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below.

③ Management policies after the Tender Offer

With regard to management policies after the Tender Offer takes effect, the Tender Offeror mainly intends to implement measures to realize the synergies described in item "① Background, purpose, and decision-making process that led to the decision to conduct the Tender Offer" above as specific measures for management strategy to enhance the corporate value of the Target Company, but it plans to determine the specific contents and methods in consultation with the Target Company, while respecting the autonomy of the Target Company's business operations.

With regard to the management structure and the composition of the Board of Directors of the Target Company after the Tender Offer, as of the date of this release, there are no agreements with the Target Company regarding

management policies after the Transaction, including whether or not to dispatch officers and other matters related to personnel, and after the Tender Offer, the Tender Offeror Group plans to determine such matters through consultation with the Target Company, but it is assumed that the Tender Offeror Group will dispatch officers to the Target Company and maintain the treatment of the Target Company's employees.

The Tender Offeror will aim to further enhance the corporate value of both companies by conducting management that fully utilizes the characteristics and strengths of the Target Company's businesses, strengthening the businesses of the Target Company, and building a structure that maximizes synergies with the Tender Offeror.

With the taking effect of the Tender Offer, the Target Company's capital relationships with Hulic and TOKYO GAS will cease to exist, and the business alliance between the Target Company and TOKYO GAS will be dissolved, but the business alliance between the Target Company and Hulic is expected to continue after the Tender Offer.

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

As of the date of this release, the Target Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, there are no plans for all or part of the Target Company's management to invest directly or indirectly in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a so-called management buyout (MBO).

However, since the Tender Offeror had the intention to enter into the Tender Agreement with the Consenting Shareholders to the effect that all Target Company Shares held by the Consenting Shareholders will be tendered in the Tender Offer, there is a possibility that the interests of the Consenting Shareholders and the general shareholders of the Target Company may not necessarily align. Based on this possibility, the Target Company and the Tender Offeror have taken the following measures to ensure the fairness of the Tender Offer Price, eliminate the possibility of arbitrariness and conflicts of interest in the decision-making process leading to the decision to conduct the Tender Offer, and ensure the fairness and transparency of the Transaction.

Furthermore, the Tender Offeror has not set a minimum number of shares to be purchased equivalent to a so-called "Majority of Minority" (Note) in the Tender Offer, as the Tender Offeror believes that setting a minimum number of shares to be purchased for a "Majority of Minority" in the Tender Offer may make the completion of the Tender Offer uncertain and, on the contrary, may not serve the interests of the minority shareholders of the Target Company who wish to sell Target Company Shares through the Tender Offer. However, since the Tender Offeror and the Target Company have implemented the following measures respectively, the Tender Offeror believes that sufficient consideration has been given to the interests of the minority shareholders of the Target Company. In descriptions below, those related to measures, etc., implemented by the Target Company are based on explanations received from the Target Company.

(Note) "Majority of Minority" generally refers to the condition in which a majority of shares held by shareholders who do not have a significant interest in the acquirer (ordinary shareholders) must be obtained as a precondition for the completion of an M&A transaction, and that this precondition must be announced in advance.

① Acquisition of share valuation report from independent third-party valuation institution by the Tender Offeror

In order to ensure the fairness of the Tender Offer Price and the Share Acquisition Rights Purchase Price, when determining the Tender Offer Price and the Share Acquisition Rights Purchase Price, the Tender Offeror requested that Nomura Securities, its financial advisor, calculate the share value of the Target Company Shares as a third-party valuation institution independent from the Tender Offeror and the Target Company, and obtained a share valuation report (the "Share Valuation Report (Nomura Securities)") dated March 14, 2025. For details of the Share Valuation Report (Nomura Securities) obtained by the Tender Offeror from Nomura Securities, please refer to item "① Basis of calculation" in "(2) Overview of purchase, etc." under "(4) Basis for calculation of the price of purchase, etc." below.

② Acquisition of share valuation report from independent third-party valuation institution by the Target Company

When expressing its opinion on the Tender Offer, the Target Company requested that Trustees, a financial advisor and third-party valuation institution independent of the Tender Offeror and the Target Company, calculate the share value of the Target Company Shares in order to ensure the fairness of decision-making regarding the Tender Offer Price proposed by the Tender Offeror, and acquired the Share Valuation Report (Trustees) dated March 13, 2025.

(a) Common stock

As a result of the examination of the calculation methods for the Tender Offer, and based the belief that it was appropriate to evaluate the Target Company Shares from various angles, with the assumption that the Target Company will continue as a going concern, Trustees adopted the market price method as a calculation method because the Target Company Shares are listed on a financial instruments exchange, the comparable listed company method because there are multiple listed companies engaged in relatively similar businesses to the Target Company and it is possible to infer the value of the shares by comparing them with similar companies, and the DCF method to reflect the status of the Target Company's future business activities in the calculation. On the other hand, the net asset method has not been adopted because the Target Company intends to continue its businesses as a going concern. Since the Tender Offeror and the Target Company have implemented measures to ensure the fairness of the Tender Offer and to avoid conflicts of interest, and the Target Company thus believes that the interests of the Target Company's general shareholders have been taken into consideration, the Target Company has not obtained an opinion on the fairness of the Tender Offer Price from Trustees (fairness opinion). According to Trustees, the range for the share value per Target Company Share calculated based on each of the above methods are as follows.

Market price method	: 1,502 yen to 1,664 yen
Comparable listed company method	:1,036 yen to 1,158 yen
DCF method	: 1,812 yen to 2,286 yen

With the market price method, the range of the share value per Target Company Share is calculated to be from 1,502 yen to 1,664 yen, based on the closing price of the Target Company Shares on the Tokyo Stock Exchange Growth Market on the record date of 1,664 yen, the simple average closing price for the period of one month preceding this date of 1,523 yen, the simple average closing price for the period of three months preceding this date of 1,502 yen, and the simple average closing price for the period of six months preceding this date of 1,586 yen, with March 13, 2025, the business day immediately preceding the date of the resolution of the Board of Directors of the Target Company regarding the expression of an opinion on the Tender Offer, as the calculation record date.

With the comparable listed company method, the share value per Target Company Share is calculated to be from 1,036 yen to 1,158 yen, based on a calculation of the share value of the Target Company Shares by comparing the market share prices and financial statements, which indicate profitability, of listed companies engaged in businesses relatively similar to those of the Target Company.

With the DCF method, the share value per Target Company Share is calculated to from 1,812 yen to 2,286 yen, based on a calculation of the corporate value and share value of the Target Company by discounting the free cash flow expected to be generated by the Target Company in and after the fiscal year ending October 2025 to its present value at a certain discount rate, based on assumptions from the financial forecasts in the Business Plan, information available to the general public, and other factors. The financial forecasts based on the Business Plan include any fiscal year in which a significant increase or decrease in profit is expected. Specifically, free cash flow is expected to increase significantly by 142 million yen for the fiscal year ending October 2025 (- YoY - is indicated due to negative free cash flow in the previous fiscal year) from a reduction in capital investment. In addition, in order to adapt to changes in the competitive environment, the Target Company will introduce and develop flexible sales strategies. Although a temporary significant decrease in operating income of 184 million yen (representing a 36.6% decrease from the previous year), is expected in the fiscal year ending October 31, 2026, a significant increase in sales of 658 million yen (representing a 44.1% increase from the previous year),

a significant increase in operating income of 357 million yen (representing a 111.9% increase from the previous year), and a significant increase in free cash flow of 119 million yen (representing a 71.6% increase from the previous year), are expected in the fiscal year ending October 31, 2027. Additionally, a significant increase in operating income of 372 million yen (representing a 55.0% increase from the previous year), and a significant increase in free cash flow of 239 million yen (representing a 83.6% increase from the previous year), are expected in the fiscal year ending October 31, 2028. For the fiscal year ending October 31, 2029, although a temporary significant decrease in operating income of 418 million yen (representing a 39.9% decrease from the previous year), and a temporary decrease in free cash flow of 538 million yen (representing a 102.5% decrease from the previous year), are expected due to the implementation of measures aimed at expanding market share and strengthening brand position, as well as capital investment, a significant increase in free cash flow of 345 million yen in the fiscal year ending October 31, 2030 (- YoY - is indicated due to negative free cash flow in the previous fiscal year). Furthermore, a significant increase in operating income and a significant increase in free cash flow are expected between the fiscal years ending October 31, 2031 and October 31, 2034. In addition, the synergies expected to be realized from the execution of the Transaction are not included in these financial forecasts and therefore are not included in the calculation by Trustees based on these financial forecasts, because they are difficult to estimate specifically at this point. Furthermore, the Special Committee has held a question-and-answer session with the Target Company regarding matters such as the content of the financial forecasts and the background to their preparation, and has confirmed that there are no unreasonable points in light of the interests of the Target Company's general shareholders.

(Note) When calculating the value of the Target Company Shares, Trustees, in principle, used the information provided by the Target Company, information available to the general public, etc., as is, and made assumptions such as all such materials and information being accurate and complete, and that there are no facts that could have a material impact on the analysis and calculation of the Tender Offer Price that have not been disclosed to Trustees, and has not independently verified the accuracy of such materials and information. In addition, Trustees assumed that the information related to the Target Company's financial forecasts was reasonably prepared based on the management of the Target Company's best forecasts and judgment at this point in time, and that the Target Company's management has carefully reviewed the information and approved its use in the valuation by Trustees. In addition, it has not conducted its own valuation and assessment of the assets and liabilities (including off-book assets and liabilities and other contingent liabilities) of the Target Company and its affiliated companies, nor has it requested a third-party institution to conduct such an appraisal or assessment. The Trustees' calculations reflect the above information as of March 13, 2025.

(b) Share Acquisition Rights

The purchase price for the Share Acquisition Rights is calculated based on the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right (10 for Second Series Share Acquisition Rights, 10 for Third Series Share Acquisition Rights, 10 for Fourth Series Share Acquisition Rights, and 10 for Fifth Series Share Acquisition Rights). Accordingly, the Target Company has judged that the Tender Offer will provide the Share Acquisition Rights Holders with a reasonable opportunity to sell the Share Acquisition Rights. The approval of the Board of Directors of the Target Company is required for the acquisition of any Share Acquisition Rights by transfer. However, in order to enable the transfer of the Share Acquisition Rights, the Target Company, at a meeting of its Board of Directors held on March 14, 2025, passed a resolution to the effect that, subject to the Tender Offer taking effect, the Target Company will comprehensively approve the transfer of the Share Acquisition Rights held by the Share Acquisition Rights Holders to the Tender Offeror through their tender in the Tender Offer, provided they are actually tendered by the Share Acquisition Rights Holders in the Tender Offer, and will amend the content of the share acquisition rights allotment agreement pertaining to the Share Acquisition Rights to allow the transfer of the Share

Acquisition Rights with Share Acquisition Rights Holders that wish to transfer their Share Acquisition Rights.The Target Company has not obtained a valuation report from a third-party valuation institution since the Share Acquisition Rights Purchase Price has been calculated based on the Tender Offer Price.

③ Establishment of Special Committee independent of the Target Company and acquisition of report from the Special Committee

The Target Company received the Proposal from the Tender Offeror on November 15, 2024, but it is assumed that general shareholders of the Target Company will ultimately be squeezed out in exchange for money, and therefore, the appropriateness of the transaction terms is thought to be particularly important for the interests of the Target Company's shareholders. Accordingly, in order to engage in careful decision-making, eliminate arbitrariness in the decision-making process by the Board of Directors of the Target Company and ensure fairness, transparency, and objectivity, by resolution at a meeting of the Board of Directors of the Target Company held on November 20, 2024, the Target Company established the Special Committee consisting of members independent of the Tender Offeror, the Target Company, and the Consenting Shareholders (the following three persons: Kazuma Doi (certified public accountant and certified public tax accountant), who is an Outside Director and independent officer of the Target Company; Masaaki Suda (certified public accountant), who is an Outside Audit & Supervisory Board Member and independent officer of the Target Company; and Hiroyasu Sato (attorney), who is an Outside Audit & Supervisory Board Member and independent officer of the Target Company). The Target Company initially selected the above three persons as the members of the Special Committee, and has not made any changes to the members of the Special Committee. In addition, Kazuma Doi, who is an Outside Director and independent officer of the Target Company, has been appointed as the chairperson of the Special Committee by the mutual selection among the members of the Special Committee. The remuneration of the members of the Special Committee is based only on the number of meetings of the Special Committee, and does not include any contingency remuneration that is subject to the announcement or taking effect of the Transaction, etc.

Based on the above resolution of the Board of Directors, the Target Company has consulted the Special Committee on the following points, and has commissioned it to submit a report on these points to the Board of Directors of the Target Company: (i) the legitimacy and reasonableness of the purpose of the Transaction (including the enhancement of the corporate value of the Target Company by the Transaction), (ii) the appropriateness of the terms and conditions of the Transaction (including the price for the purchase, etc., in the Tender Offer), (iii) the fairness of the negotiation process and procedures leading to decision-making in the Transaction, (iv) whether decisions concerning the Transaction (including expressing an opinion in favor of the Tender Offer, recommending shareholders and the Share Acquisition Rights Holders of the Target Company tender their shares in the Tender Offer, and other decisions regarding procedures for the Transaction by the Target Company) are disadvantageous to the minority shareholders of the Target Company, and (v) in light of (i) through (iv) above, whether or not the Board of Directors of the Target Company should express an opinion in favor of the Tender Offer and whether or not it should recommend that shareholders and Share Acquisition Rights Holders of the Target Company tender their shares in the Tender Offer (hereinafter, (i) through (v) are collectively referred to as the "Consultation Items").

In addition, in the above resolution of the Board of Directors of the Target Company, when deliberating the content of the expression of an opinion on the Tender Offer, the Board of Directors of the Target Company resolved that it shall respect the contents of the report of the Special Committee on the Consultation Items to the maximum extent, taking into consideration the purpose of the establishment of the Special Committee, and if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Board of Directors of the Target Company shall not approve the Tender Offer. In addition, based on the above resolution of the Board of Directors, the Target Company has granted to the Special Committee: (i) the authority to conduct negotiations with the Tender Offeror on its own, and also the authority to substantially influence the negotiation process regarding the terms and conditions of the Transaction by receiving reports on the status of negotiations in a timely manner, expressing opinions in important situations, and giving instructions and requests, even if negotiations with the Tender Offeror are conducted by internal personnel or advisors, etc., of the Target Company, (ii) the authority to appoint its own external

advisors, etc., as necessary (the expenses in this case will be borne by the Target Company), as well as the authority to nominate or approve (including approval after the fact) external advisors, etc., appointed by the Target Company, and (iii) the authority to request that officers and employees of the Target Company, as well as external advisors, etc., collect any information necessary for making a report. Based on the authority described in (ii) above, the Special Committee, at its first meeting held on December 4, 2024, approved the appointment of Trustees as the financial advisor and third-party valuation institution, and of City-Yuwa Partners as the legal advisor, after confirming that there were no problems with the independence of the external advisors, etc., appointed by the Target Company.

The Special Committee held a total of ten (10) meetings from December 4, 2024, to March 13, 2025, and through these meetings, as well as e-mail, etc., outside of meetings, it expressed opinions, exchanged information, collected information, etc., and took other measures such as extra consultations as necessary, as it engaged in careful consideration of the Consultation Items. Specifically, the Special Committee received explanations from the Target Company and held a question-and-answer session concerning matters such as the business content and business performance trends of the Target Company, major management issues, expected merits and demerits for the Target Company's businesses as a result of the Transaction, and the details and formulation procedures of the Target Company's business plan to be used as a basis for considering the terms and conditions of the Transaction. In addition, the Special Committee received explanations from the Tender Offeror and asked questions regarding matters such as the consideration process that led to the proposal for the Transaction, the details of measures expected after the Transaction, the details and extent of the benefits, disadvantages, and other effects expected from the Transaction, and the Target Company's management policies expected after the Transaction. Furthermore, Trustees, the financial advisor of the Target Company and third-party valuation institution, explained the calculation of the share value of the Target Company Shares, and answered questions about the calculation process, after which the Special Committee considered the reasonableness of the calculation results. When engaging in the above consideration, the Special Committee received advice from City-Yuwa Partners, the legal advisor of the Target Company, as appropriate, on the details of measures to ensure the fairness of the Transactions, including the significance, role, etc., of the Special Committee, and measures to avoid conflicts of interest.

The Special Committee received a reports from the Target Company in a timely manner concerning matters such as the history and details of discussions and negotiations between the Target Company and the Tender Offeror regarding the Transaction, and stated its opinions to the Target Company to the effect that the Target Company should request that the Tender Offeror increase in the Tender Offer Price, on four (4) occasions in total. The Target Company negotiated with the Tender Offeror in accordance with the opinion, and in this way, the Special Committee was substantially involved in the negotiation process with the Tender Offeror.

Based on the above circumstances, the Special Committee carefully deliberated and considered the Consultation Items, and as a result, submitted the Report to the Board of Directors of the Target Company as of March 13, 2025, with the unanimous consent of all committee members. A summary of the content of the Report is as follows.

(a) Contents of the Report

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

(ii) The appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, is considered to have been secured.

(iii) Fairness is considered to have been ensured in the negotiation process and the procedures leading to decision-making in relation to the Transaction.

(iv) The Transaction (including expressing an opinion in favor of the Tender Offer, recommending that shareholders and Share Acquisition Rights Holders of the Target Company tender their shares in the Tender Offer, and other decisions by the Target Company regarding procedures for the Transactions) is not considered to be disadvantageous to the minority shareholders of the Target Company.

(v) In light of (i) through (iv) above, it is considered appropriate for the Board of Directors of the Target Company to express an opinion supporting the Tender Offer and to recommend that shareholders and

the Share Acquisition Rights Holders of the Target Company tender in the Tender Offer.

(b) Reason for the Report

(i) Legitimacy and reasonableness of the purpose of the Transaction (including the enhancement of the corporate value of the Target Company by the Transaction)

Comprehensively taking the following points into consideration, the Transaction will contribute to the enhancement of the corporate value of the Target Company, and its purpose is considered to be legitimate and reasonable.

・ According to the Target Company, as the elderly population increases and the number of people under 65 years old who support the elderly decreases, the shortage of nursing care staff is likely to become more serious in the future. On the other hand, there are more than two million beds in nursing facilities, etc., across the country, and the market penetration rate of the Target Company's "Life Rhythm Navi" was less than 1% as of the end of April 2024, indicating that there is considerable potential for its introduction, particularly in private nursing facilities. Additionally, in terms of management issues faced by the Target Company in relation to each of its businesses, in the nursing care industry, there is a custom that "nursing care is handled by human hands," and the providers of nursing care are also aging. Accordingly, as a result of the slow spread and low level of awareness of ICT and the IoT, there is a tendency to be cautious about their introduction, resulting in a barrier to the expansion of the digital transformation (DX) in nursing care. In light of this situation, the Target Company aims to acquire new customers by deepening understanding of the merits of "Life Rhythm Navi" in an easy-to-understand manner through online demonstrations, while also leveraging existing connections between agencies and customers. As mentioned, however, the market penetration rate of the Target Company's "Life Rhythm Navi" was less than 1% as of the end of April 2024, and the Target Company faces the important issue of how to make it a de-facto standard by expanding its market share nationwide and how to cultivate new customers in homes and hospitals (BtoB and BtoBtoC routes). In this regard, the Target Company listed its shares on the Growth Market of the Tokyo Stock Exchange in July 2023, and as a result of efforts to strengthen its organizational structure, formulate rational business plans, and reinforce the personnel system through preparation for this listing, the number of potential customers who remove the Target Company as a candidate when considering the introduction of nursing care has decreased in comparison with leading and well-known competitors. Given the aforementioned barriers to the expansion of nursing care DX in the nursing care industry, however, it would be difficult for the Target Company to quickly cultivate new customers at home and in hospitals solely through its own efforts as a company. Accordingly, the Target Company has been exploring and considering the possibility of collaboration through M&A, based on the assumption that the counterparty will have a wide range of sales channels across nursing facilities, hospitals, etc., with the aim of quickly achieving further growth in the Life Rhythm Navi business. Based on interviews with the Target Company and the Tender Offeror, as well as information available to the general public, no particular irrationalities have been recognized with regard to the above explanation of the business environment and management issues.

・ According to the Tender Offeror, which has engaged in drug discovery and disease awareness activities as a pioneer in the dementia field over many years, it is promoting business activities aimed at the creation of the Dementia Platform, to provide appropriate services, etc., for everyone from the general public to dementia sufferers and their families, based on collaboration between various industries and organizations and the utilization of data held by the Tender Offeror to solve dementia-related issues. According to the Tender Offeror, in the course of these activities, the Tender Offeror felt that the Target Company's "Life Rhythm Navi" had the potential to become a core solution for the Dementia Platform that the Tender Offeror envisioned, and thus concluded a business alliance agreement with the Target Company on July 24, 2024, aiming to build a dementia ecosystem. Furthermore, based on the demonstration experiment, the results of which are expected to show a potential new medical flow for mild cognitive impairment (MCI) and dementia sufferers through the intervention of nursing care staff

at facilities, and based on the belief that further collaboration with the Target Company can be expected to contribute to the prevention of mild cognitive impairment (MCI) and dementia and early medical examinations, the Tender Offeror began to consider a capital alliance in late August 2024, and in early October 2024, the Tender Offeror came to believe that a capital alliance between the Tender Offeror and the Target Company would be a reasonable strategy to achieve further growth and increase corporate value, and that prompt and flexible decision-making through making the Target Company a wholly-owned subsidiary of the Tender Offeror would be necessary to create more synergies. Accordingly, the Tender Offeror submitted a proposal to execute the Transaction to the Target Company on November 15, 2024. On the other hand, as mentioned above, the Target Company has been exploring and considering the possibility of collaboration through M&A, based on the assumption that the counterparty will be a company with wide-ranging sales channels to medical institutions, such as nursing homes and hospitals, and the power to spread its services. Accordingly, based on the fact that Tender Offeror is not only engaged in drug discovery and disease awareness activities as a pioneer in the dementia field, but is also a pharmaceutical company that engages in R&D, manufacturing, sales, and other activities on a global basis, mainly for prescription drugs, and has a wide range of sales channels to medical institutions, such as hospitals, and the power to spread its services, the Target Company expects that by conducting some form of M&A with the Tender Offeror, it will be able to significantly bring forward the spread of "Life Rhythm Navi" to medical institutions, such as hospitals, in line with its aim, by collaboration in the form of utilizing the Tender Offeror's sales channels. The Target Company and the Tender Offeror generally agree on the above understanding of the significance and purpose of the Transaction, and no particular irrationalities have been recognized with regard to their explanation.

- According to the Target Company, by becoming a wholly-owned subsidiary of the Tender Offeror through the Transaction, it expects synergies such as: ① expansion in sales of "Life Rhythm Navi Plus Doctor" to medical institutions or nursing facilities, etc., belonging to the same corporation as the medical institutions, ② expansion in sales of "Life Rhythm Navi" for home use, and ③ reduction in burden through delisting. In this regard, based on the interviews with the Tender Offeror, the Tender Offeror also expects benefits such as synergies in the expansion of sales of "Life Rhythm Navi Plus Doctor" and "Life Rhythm Navi" for home use, and there is no appreciable gap between the Target Company's and the Tender Offeror's perception of synergies from the Transaction. Moreover, the Special Committee fully agrees with the content of the Target Company's explanation of these synergies.
- According to the Target Company, if the Transaction was limited to a capital alliance between the Target Company and the Tender Offeror that maintained the listing of the Target Company's shares, the Target Company would be required to conduct independent management that takes into consideration the interests of general shareholders as a listed company, the Tender Offeror would not be able to receive a 100% return on its investment in the Target Company, and this would make it difficult for both parties to fully share management resources. Therefore, the Target Company believes that limits would be imposed on the realization of the above synergies. Therefore, in order to maximize synergies with the Tender Offeror, the Target Company believes that it and the Tender Offeror becoming a wholly-owned subsidiary and parent company is the optimal method for aligning the interests of both parties. In addition, according to interviews with the Tender Offeror, the Tender Offeror has the same views as above, and the perceptions of both parties are aligned. The Special Committee also has not found any particular irrationalities in the explanations provided by both parties, and believes that it is reasonable to a certain extent for the Target Company to become a wholly-owned subsidiary of the Tender Offeror.
- As a result of consideration of the possible disadvantages associated with the delisting of the Target Company Shares due to the Transaction through interviews with the Target Company and the Tender Offeror, it has been recognized that the impact will be limited in areas such as the impact on customers and other business partners, the impact on future funding, the weakening of compliance systems due to delisting, the impact on future hiring of human resources, and the impact on existing employees, and

there are no specific concerns that the Transaction will cause disadvantages that exceed synergies expected from the Transaction.

・The Target Company Shares were listed on the Growth Market of the Tokyo Stock Exchange in July 2023. The Target Company has decided to agree to its delisting approximately one year and eight months after the listing. In this regard, according to the Target Company, the Transaction is expected to enable the Target Company to greatly accelerate the expansion of its customer base, as well as the dissemination of "Life Rhythm Navi" to hospitals and other medical institutions, which the Target Company aims to achieve, by utilizing the extensive sales channels of the Tender Offeror, which is a pharmaceutical company that is not only engaged in drug discovery and disease awareness activities as a pioneer in the field of dementia but is also globally engaged in research and development, manufacturing, sales, and other businesses, with a focus on ethical drugs. This will be possible by making the Target Company a member of the Tender Offeror Group after the Target Company's shares have been delisted. Therefore, regardless of the period after the Target Company's shares have been listed, it can be judged that accepting this proposal for the Transaction from the Tender Offeror will contribute to the enhancement of the Target Company's corporate value. In light of the explanation given by the Target Company and the Tender Offeror regarding the synergies of the Transaction, the Special Committee fully agrees with the content of the Target Company's explanation.

(ii) Appropriateness of the terms and conditions of the Transaction (including the price for the purchase, etc., in the Tender Offer)

Comprehensively taking the following points into consideration, the terms and conditions of the Transaction, including the Tender Offer Price, are considered to be appropriate in light of the interests of the minority shareholders of the Target Company.

・The Tender Offer Price is above the upper limit of the price range based on the market price method and the comparable listed company method, and is also above the median of the price range based on the DCF method and is close to the upper limit of the price range, among the results of the calculation of the value of the Target Company's Shares by Trustees, and it can be evaluated that the intrinsic value that the Target Company can achieve is thereby appropriately reflected in the Tender Offer Price. In addition, there does not appear to be any intentional or arbitrary treatment in any of the valuation methods adopted by the Trustees for calculating the value of the Target Company's Shares, including the market price method, the comparable listed company method, and the DCF method. The valuation results of the Target Company's Shares by the Trustees can therefore be considered to have a certain level of reasonableness as a reference material for determining the appropriateness of the Tender Offer Price.

・ A certain degree of reasonableness is recognized in the premium added to the Tender Offer Price in comparison with the level of the premium ratio in similar cases identified by Trustees.

・In addition, although the Tender Offer Price is below the highest price of the Target Company's Shares since listing, it is above the closing price of the Target Company's Shares on and after July 26, 2024, the date on which one year has passed since the Target Company's listing when the market price of the Target Company's Shares stabilized (in light of the PBR level of the Target Company, etc., the price of the Target Company's Shares on the Tokyo Stock Exchange Growth Market after such date may be considered to be valued to a certain extent in the market), it can also be considered to be at least at a reasonable level in light of the recent share price trend of the Target Company's Shares.

・ The Tender Offer Price significantly exceeds the Target Company's book value per share (496.99 yen) as of the end of October 2024, and no particular reasons are recognized to deny the reasonableness of the Tender Offer Price, at least in comparison with the book value of net assets.

・ The Share Acquisition Rights Purchase Price has been set at the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share underlying the Share Acquisition Rights by the number of shares underlying one Share Acquisition Right. As described above, the Tender Offer Price is considered to be reasonable to a certain extent, and since the

Share Acquisition Rights Purchase Price is calculated based on the difference between the Tender Offer Price and the exercise price of the Share Acquisition Rights, the Share Acquisition Rights Purchase Price is also considered to be reasonable to a certain extent.

- According to the Tender Offeror, in the Tender Offer, there are no plans to set a lower limit on the number of shares to be purchased equivalent to a so-called majority of minority. In this regard, although there is room to believe that setting such a lower limit on the number of shares to be purchased would contribute to the interests of minority shareholders of the Target Company, the M&A Guidelines also state that it is difficult to say that it is always desirable to set such a condition, partly owing to the concern that setting a majority of minority condition may hinder the completion of an M&A that contributes to the enhancement of corporate value if the acquirer already holds a large proportion of shares of the company to be acquired. In this regard, the Special Committee considers that the fairness of the terms and conditions of the Transaction cannot be denied, even if a majority of minority condition is not set in the Tender Offer, after comprehensively taking into consideration points such as the following: ① the above concerns are applicable to a considerable extent because Cocoa Asset, which plans to conclude the Tender Agreement with the Tender Offeror, holds 2,053,250 Target Company Shares (ownership ratio: 28.11%), Hulic holds 672,750 Target Company Shares (ownership ratio: 9.21%), and TOKYO GAS holds 622,750 Target Company Shares (ownership ratio: 8.53%), ② if a majority of minority condition is set, it may actually harm the interests of minority shareholders who have tendered shares in the Tender Offer, and ③ in light of the status of implementation other measures to ensure fairness, it can be assessed that the fairness of the negotiation process and the procedures leading to decision-making in relation to the Transaction is secured.
- As the Squeeze-Out Procedures, either the demand to cash out shares, etc. (as defined in "(4) Policies on organizational restructuring, etc., after the Tender Offer (matters related to so-called two-step acquisition)" below; the same shall apply hereinafter) or a consolidation of shares is planned. In either case, under applicable laws and regulations, shareholders who did not tender their shares in the Tender Offer are ensured the right to demand the purchase of shares or the right to make a request for valuation. Additionally, according to the Tender Offeror, the Squeeze-Out Procedures are expected to be carried out promptly after the completion of the settlement of the Tender Offer. Furthermore: (i) in the case of the demand to cash out shares (defined in "(4) Policies on organizational restructuring, etc., after the Tender Offer (matters related to so-called two-step acquisition)" below; the same shall apply hereinafter)" , the Tender Offeror plans to provide the same amount of money as the Tender Offer Price to the Shareholders Subject to Cash-Out, and in the demand to cash out Share Acquisition Rights (as defined in "(4) Policies on organizational restructuring, etc., after the Tender Offer (matters related to so-called two-step acquisition)", as consideration per Share Acquisition Right, the Tender Offeror plans to provide the same amount of money as the Share Acquisition Rights Purchase Price to the Share Acquisition Rights Holders Subject to Cash-Out; and (ii) in the case of the consolidation of shares, with regard to the sale price of the Target Company Shares corresponding to the total number of such fractions arising as a result of the consolidation of shares, the Tender Offeror plans to request that the Target Company file a petition for permission of voluntary sale with the court after setting the amount of money to be delivered to shareholders of the Target Company who did not tender their shares in the Tender Offer as a result of such sale to be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by each such shareholder. In addition, if any Share Acquisition Rights remain unexercised, the Tender Offeror plans to request that the Target Company recommends that Share Acquisition Rights Holders waive the Share Acquisition Rights or implements other reasonable procedures necessary for the execution of the Transaction, or implement such procedures itself, and if money is to be delivered to the Share Acquisition Rights Holders at that time, it is planned to be calculated such that it will be the same price as the Share Acquisition Rights Purchase Price in the Tender Offer multiplied by the number of Share Acquisition Rights held by the relevant Share Acquisition Rights

Holders. As outlined above, in this transaction, including the tender offer, considerations have been made to address concerns regarding coercion, ensuring the interests of shareholders and the Share Acquisition Rights Holders who did not participate in the Tender Offer. As described above, the conditions related to the Squeeze-Out Procedures is also considered to be reasonable to a certain extent

- As described in (iii) below, fairness is considered to be ensured in the negotiation process and the procedures leading to decision-making for the Transaction, and it is recognized that the terms and conditions of the Transaction, including the Tender Offer Price, were determined after such fair procedures.

(iii) Fairness of the negotiation process and procedures leading to decision-making in the Transaction

Comprehensively taking the following points into consideration, fairness is considered to have been ensured in the negotiation process and the procedures leading to decision-making in relation to the Transaction.

- When considering the Transaction, the Target Company has established the Special Committee as part of measures to ensure fairness, from the perspective of eliminating arbitrariness in the Target Company's decision-making process and avoiding conflicts of interest. The Special Committee was established prior to the commencement of specific negotiations on the Tender Offer Price, and no reason is recognized to doubt the independence of each committee member. When passing the resolution to establish the Special Committee, the Board of Directors of the Target Company granted to the Special Committee: ① the authority to conduct negotiations with the Tender Offeror on its own, and also the authority to substantially influence the negotiation process regarding the terms and conditions of the Transaction by receiving reports on the status of negotiations in a timely manner, expressing opinions in important situations, and giving instructions and requests, even if negotiations with the Tender Offeror are conducted by internal personnel or advisors, etc., of the Target Company, ② the authority to appoint its own external advisors, etc., as necessary (the expenses in this case will be borne by the Target Company), as well as the authority to nominate or approve (including approval after the fact) external advisors, etc., appointed by the Target Company, and ③ the authority to request that officers and employees of the Target Company, as well as external advisors, etc., collect any information necessary for making a report. In response, the Special Committee confirmed that the financial advisor and third-party valuation institution, as well as the legal advisor, appointed by the Target Company had no problems with their independence and expertise, and approved the appointment of each of them as the Target Company's advisors, etc. Furthermore, when passing a resolution to establish the Special Committee, the Board of Directors of the Target Company resolved that it shall respect the contents of the report of the Special Committee to the maximum extent when deliberating the content of the expression of an opinion on the Tender Offer, and if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Board of Directors shall not approve the Tender Offer, meaning that consideration has been given to ensuring the effectiveness of the judgment of the Special Committee. As described above, after taking practical measures to enhance the effectiveness of the Special Committee, the Special Committee considered and assessed the appropriateness of the Transaction, the appropriateness of the terms and conditions for the Transaction, and the fairness of the procedures, from the standpoint of enhancing corporate value and protecting the interests of minority shareholders.
- In order to ensure the fairness of decision-making regarding the Tender Offer Price, the Target Company has obtained the Share Valuation Report from Trustees, an independent financial advisor and a third-party valuation institution, and has also received legal advice from City-Yuwa Partners, an independent legal advisor, regarding the process and methods of decision-making by the Target Company's Board of Directors regarding the Transaction and other points to keep in mind when making decisions regarding the Transaction. The Target Company has not obtained from Trustees a written opinion to the effect that the Tender Offer Price is appropriate or fair from a financial perspective (fairness opinion), but in Japan, it is understood that the effectiveness of a fairness opinion as a measure to ensure fairness is not uniform

depending on the case. Under these circumstances, in light of the process for considering the Transaction, the Target Company has not recognized any circumstances in which it should be considered essential to obtain a fairness opinion to examine the appropriateness of the Transaction, and the Target Company believes that the fairness of negotiation process and the procedures leading to decision-making concerning the Transaction will not be denied even if a fairness opinion is not obtained.

- The Special Committee received timely reports on the progress, details, etc., of discussions and negotiations with the Tender Offeror regarding the Tender Offer Price, and has been substantially involved in the negotiation process, including discussing policies for negotiation, etc., and giving opinions to the Target Company. Accordingly, no particular irrationalities have been found in the negotiation process from the perspective of giving consideration to the interests of the minority shareholders of the Target Company.
- Of the nine Target Company Directors, ① Mr. Kajimoto, who is the Chairman of the Board of Directors, plans to enter into an agreement with the Tender Offeror under which Cocoa Asset Co., Ltd., an asset management company, will tender all of Target Company Shares that it holds in the Tender Offer, and ② Mr. Sohei Okuno, who is a Director ("Mr. Okuno"), concurrently serves as Head of the Global Investment Unit Business Creation Department of Hulic, which plans enter into an agreement with the Tender Offeror under which it will tender all Target Company Shares that it holds in the Tender Offer. In this regard, from the perspective of avoiding the possibility of conflicts of interest, the Target Company expects that the above two Directors will not participate in the deliberation and resolution at the meeting of the Board of Directors to be held on March 14, 2025, regarding the proposal for expressing an opinion on the Tender Offer. In addition, these two persons are not involved in any discussions or negotiations with the Tender Offeror from the standpoint of the Target Company, and no facts have been recognized to suggest that any person whose independence from the Tender Offeror is questionable improperly influenced the decision-making of the Target Company in the process of discussions, consideration, and negotiation related to the Transaction.
- The Tender Offeror has set the period in which the Tender Offer will be conducted (the "Tender Offer Period") at 34 business days, which is longer than the minimum period of 20 business days stipulated by laws and regulations, thereby ensuring that shareholders and the Share Acquisition Rights Holders of the Target Company have an opportunity to make an appropriate decision regarding the tender of their shares in the Tender Offer, while also ensuring an opportunity for parties other than the Tender Offeror to conduct a purchase, etc., for the Target Company Shares, and thus ensuring the fairness of the Tender Offer Price. In addition, the Tender Offeror and the Target Company have not entered into any agreement that would restrict a person proposing a competing acquisition from having contact with the Target Company, etc., such as an agreement that contains a transaction protection clause that prohibits the Target Company from having contact with any person other than the Tender Offeror (a person proposing a competing acquisition), and together with the establishment of the Tender Offer Period described above, consideration has thus been given to ensuring the fairness of the Tender Offer by ensuring opportunities for a competing purchase, etc.
- There are plans for the disclosure of certain information in the press release relating to the Transaction, including information related to the Special Committee, information related to the results of the calculation of the share value of the Target Company Shares, information on the background, purpose, etc., of the implementation of the Transaction, and information on the specific history of discussions and negotiations regarding the terms and conditions of the Transaction between the Target Company and the Tender Offeror, and it is thus recognized that reasonable information will be disclosed in order for the shareholders of the Target Company and the Share Acquisition Rights Holders to judge the appropriateness of the terms and conditions of the transaction.

(iv) Whether decisions concerning the Transaction (including expressing an opinion in favor of the Tender Offer, recommending that shareholders and Share Acquisition Rights Holders of the Target Company

tender their shares in the Tender Offer, and other decisions by the Target Company regarding procedures for the Transactions) are disadvantageous to the minority shareholders of the Target Company

As described above, (i) the Transaction is considered to contribute to the enhancement of the corporate value of the Target Company and its purpose is considered to be legitimate and reasonable, (ii) the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, is considered to have been ensured, and (iii) the fairness of negotiation process and procedures leading to decision-making related to the Transaction are considered to have been ensured. Additionally, no particular circumstances have been recognized under which the Transaction should be considered disadvantageous to the minority shareholders of the Target Company, and therefore, (iv) the Transaction (including expressing an opinion in favor of the Tender Offer, recommending that shareholders and Share Acquisition Rights Holders of the Target Company tender their shares in the Tender Offer, and other decisions by the Target Company regarding procedures for the Transactions) is not considered to be disadvantageous to the minority shareholders of the Target Company.

(v) In light of (i) through (iv) above, the appropriateness of the Board of Directors of the Target Company expressing an opinion supporting the Tender Offer and recommending that shareholders and the Share Acquisition Rights Holders of the Target Company tender in the Tender Offer

In light of (i) through (iv) above, it is considered appropriate for the Board of Directors of the Target Company to express an opinion supporting the Tender Offer and to recommend that shareholders and the Share Acquisition Rights Holders of the Target Company tender in the Tender Offer.

④ Advice from an independent law firm obtained by the Target Company

In order to ensure the fairness and appropriateness of the decision-making by the Board of Directors of the Target Company regarding the Transaction, including the Tender Offer, the Target Company appointed City-Yuwa Partners as a legal advisor independent of the Tender Offeror and the Target Company, and received legal advice on the process and method of decision-making by the Board of Directors of the Target Company regarding the Transaction, including the Tender Offer, and other points to keep in mind when making decisions regarding the Transaction, including the Tender Offer.

City-Yuwa Partners is not a related party of the Tender Offeror or the Target Company, and does not have any material interest in the Transaction, including the Tender Offer. The remuneration of City-Yuwa Partners with regard to the Transaction does not include any contingency remuneration that is subject to the announcement or taking effect of the Transaction, etc. At its first meeting on December 4, 2024, the Special Committee also approved the appointment of City-Yuwa Partners as the Target Company's legal advisor, after confirming that there were no problems with its independence.

⑤ Approval of all of the Target Company's Directors who have no conflicts of interest and opinion without objection of all of the Target Company's Audit & Supervisory Board Members who have no conflicts of interest

The Target Company carefully discussed and considered the terms and conditions of the Transaction, including the Tender Offer, while respecting the contents of the Report submitted by the Special Committee to the maximum extent, and taking into consideration the Share Valuation Report (Trustees) obtained from Trustees and legal advice from City-Yuwa Partners. As a result, as described in "② Decision-making process and reasons that led to the Target Company's support for the Tender Offer" under "(2) Background, purpose, and decision-making process that led to the decision to conduct the Tender Offer, and management policies after the Tender Offer" above, the Target Company determined that the Transaction, including the Tender Offer, is expected to enhance the corporate value of the Target Company, that the Tender Offer Price, the Share Acquisition Rights Purchase Price, and other terms and conditions of the Tender Offer are appropriate for the shareholders and Share Acquisition Rights Holders of the Target Company, and that the Tender Offer provides reasonable opportunities for the shareholders and Share Acquisition Rights Holders of the Target Company to sell their shares and share acquisition rights. Accordingly, at the meeting of the Board of Directors of the Target Company held on March 14, 2025, the seven Directors of the Target Company (excluding Mr.

Kajimoto and Mr. Okuno) who participated in the deliberations and resolution (Kimito Watanabe, Masashige Sugizaki, Kazuhiro Nomura, Terunori Yasuda, Daisuke Kawamata, Daisuke Kidooka and Kazuma Doi) unanimously resolved to to express an opinion in favor of the Tender Offer and recommend that the shareholders and Share Acquisition Rights Holders of the Target Company tender their shares in the Tender Offer. All three Audit & Supervisory Board Members of the Target Company attended the above meeting of the Board of Directors, and all of the Audit & Supervisory Board Members who attended expressed an opinion that they had no objection to the adoption of the above resolution.

Of the Directors of the Target Company, Mr. Kajimoto, who is the Chairman of the Board of Directors, and Mr. Okuno, who is a Director, did not participate in any of the deliberations or the resolution concerning a proposal of the expression of an opinion on the Tender Offer at the aforementioned meeting of the Target Company's Board of Directors, and did not participate in any discussions or negotiations with the Tender Offeror from the standpoint of the Target Company, from the viewpoint of avoiding the possibility of conflicts of interest, based on the fact that each of their interests may not align with those of the general shareholders of the Target Company, because, respectively, Cocoa Asset, the asset management company of Mr. Kajimoto and his relatives planned to conclude the Tender Agreement (Cocoa Asset) with the Tender Offeror at the time of the Tender Offer, and Mr. Okuno concurrently serves as Head of the Global Investment Unit Business Creation Department of Hulic Co., Ltd., which plans to conclude the Tender Agreement (Hulic) with the Tender Offeror.

In addition, Mr. Daisuke Kawamata, a Director of the Target Company, is a former employee of TOKYO GAS, with which the Tender Agreement (TOKYO GAS) is to be executed. He resigned from TOKYO GAS in March 2022, and since then, he has not held any position as an officer or employee of TOKYO GAS or its wholly-owned subsidiaries, nor does he have any standing or relationship that would involve receiving instructions from TOKYO GAS. Therefore, it has been determined that his background as a former Tokyo Gas employee does not, in itself, constitute a conflict of interest or create a situation where his interests would be misaligned with those of minority shareholders.

⑥ Establishment of a system for independent consideration by the Target Company

The Target Company has established an internal system to consider and negotiate the Transaction from a standpoint independent of the Tender Offeror. Specifically, since receiving the Proposal from the Tender Offeror on November 15, 2024, from the viewpoint of avoiding the possibility of conflicts of interest, the Target Company decided not to permit Mr. Kajimoto and Mr. Okuno to participate in the negotiations between the Target Company and the Tender Offeror concerning the terms and conditions of the Transaction, including the Tender Offer Price, and the process for consideration within the Target Company, because, respectively, Cocoa Asset, which planned to conclude the Tender Agreement (Cocoa Asset), is the asset management company of Mr. Kajimoto, and Mr. Okuno concurrently serves as Head of the Global Investment Unit Business Creation Department of Hulic Co., Ltd., which plans to conclude the Tender Agreement (Hulic) with the Tender Offeror, and established an internal consideration system centered on two Directors (Kimihito Watanabe and Daisuke Kawamata) who are independent from the Tender Offeror. Under this system, the Target Company has formulated the Business Plan, which Trustees used as the basis for the calculation with the DCF method, and neither the Tender Offeror nor any parties with material interests in the Tender Offeror participated in the process of formulating the Business Plan.

The Special Committee has confirmed that there are no problems with the Target Company's system for consideration the Transaction from the viewpoint of independence and fairness, including the above treatment.

⑦ Measures to ensure opportunities for purchase from other purchasers

The Tender Offeror has not entered into any agreement with the Target Company that would restrict the contact of a party proposing a competing acquisition, such as an agreement that includes a transaction protection clause that prohibits the Target Company from contacting a party proposing a competing acquisition. In addition, the Tender Offeror has set the Tender Offer Period as 34 business days, which is longer than the minimum period of 20 business days stipulated by laws and regulations. The Tender Offeror has set the Tender Offer Period longer than the minimum

period stipulated by laws and regulations, thereby ensuring that shareholders and the Share Acquisition Rights Holders of the Target Company have an opportunity to make an appropriate decision regarding the tender of their shares in the Tender Offer, while also ensuring an opportunity for persons other than the Tender Offeror to conduct a competing purchase, etc., for the Target Company Shares and the Share Acquisition Rights. In this way, the Tender Offeror intends to ensure the appropriateness of the Tender Offer Price and the Share Acquisition Rights Purchase Price.

(4) Policies on organizational restructuring, etc., after the Tender Offer (matters related to so-called two-step acquisition)

As described in the above "(1) Overview of the Tender Offer," the policy of the Tender Offeror is to make the Target Company a wholly-owned subsidiary of the Tender Offeror, and if the Tender Offeror is unable to acquire all of the Target Company Shares (however, this includes the Target Company Shares to be delivered upon exercise of the Share Acquisition Rights, and excludes treasury shares held by the Target Company) and all of the Share Acquisition Rights in the Tender Offer, it plans to execute the Squeeze-Out Procedures by the following method after the Tender Offer takes effect.

① Demand to cash out shares, etc.

Upon the Tender Offer taking effect, if the total number of voting rights of the Target Company held by the Tender Offeror is 90% or more of the number of 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, then promptly after the completion of settlement for the Tender Offer, pursuant to the provisions of Part II, Chapter II, Section 4-2 of the Companies Act, the Tender Offeror plans to demand that all shareholders of the Target Company (excluding the Tender Offeror and the Target Company) who did not tender their shares in the Tender Offer (the "Shareholders Subject to Cash-Out") sell all Target Company Shares that they hold ("demand to cash out shares") and also demand that all Share Acquisition Rights Holders (excluding the Tender Offeror) (the "Share Acquisition Rights Holders Subject to Cash-Out") sell all Share Acquisition Rights that they hold ("demand to cash out Share Acquisition Rights," and collectively referred to with the demand to cash out shares as the "demand to cash out shares, etc."). In the demand to cash out shares, as consideration per Target Company Share, the Tender Offeror plans to provide the same amount of money as the Tender Offer Price to the Shareholders Subject to Cash-Out, and in the demand to cash out Share Acquisition Rights, as consideration per Share Acquisition Right, the Tender Offeror plans to provide the same amount of money as the Share Acquisition Rights Purchase Price to the Share Acquisition Rights Holders Subject to Cash-Out. In this case, the Tender Offeror will notify the Target Company to that effect, and seek the approval of the Target Company concerning the demand to cash out shares, etc. If the Target Company approves the demand to cash out shares, etc., by resolution of the Board of Directors, the Tender Offeror will, in accordance with the procedures prescribed by relevant laws and regulations, acquire all Target Company Shares held by the Shareholders Subject to Cash-Out and all of Share Acquisition Rights held by the Share Acquisition Rights Holders Subject to Cash-Out on the acquisition date specified in the demand to cash out shares, etc., without requiring the individual approval of the Shareholders Subject to Cash-Out and the Share Acquisition Rights Holders Subject to Cash-Out. According to the Target Company Press Release, if the Target Company receives notification from the Tender Offeror to the effect that it intends to make demand to cash out shares, etc., and the matters set forth in each item of Article 179-2, paragraph (1) of the Companies Act, the Target Company plans to approve the demand to cash out shares, etc., at a meeting of its Board of Directors. If a demand to cash out shares, etc., is made, a Shareholder Subject to Cash-Out or a Share Acquisition Rights Holder Subject to Cash-Out may file a petition with the court to determine the purchase price of the Target Company Shares or the Share Acquisition Rights, in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations.

② Consolidation of shares

On the other hand, if, after the Tender Offer takes effect, the total number of voting rights of the Target Company held by the Tender Offeror is less than 90% of the number of voting rights of all shareholders of the Target Company, then promptly after the completion of settlement for the Tender Offer, the Tender Offeror plans to request that the Target Company holds an extraordinary shareholders meeting (the "Extraordinary Shareholders Meeting") around

July 2025, with the inclusion of proposals to conduct a consolidation of shares and amendments to the articles of incorporation to abolish provisions related to the number of shares constituting one unit of shares on the condition that the consolidation of shares takes effect. The Tender Offeror plans to approve each of the above proposals at the Extraordinary Shareholders Meeting.

If the proposal for the share consolidation receives approval at the Extraordinary Shareholders Meeting, as of the day the consolidation of shares takes effect, the shareholders of the Target Company will own a number of Target Company Shares in accordance with the ratio of the share consolidation approved at the Extraordinary Shareholders Meeting. If any fractions of less than one share arise in the number of shares as a result of the consolidation of shares, the Target Company's shareholders will receive money obtained by selling, etc., Target Company Shares equivalent to the total number of this fraction (if the total number includes a fraction of less than one share, the fraction will be rounded down; the same applies hereinafter.) to the Target Company or the Tender Offeror, in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and regulations. With regard to the sale price of the Target Company Shares corresponding to the total number of such fractions, the Tender Offeror plans to request that the Target Company files a petition for permission of voluntary sale with the court after setting the amount of money to be delivered to shareholders of the Target Company who did not tender their shares in the Tender Offer as a result of such sale to be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by each such shareholder. In addition, the ratio of the consolidation of the Target Company Shares has not been determined as of the date of this release, but the Tender Offeror intends to determine it such that the number of Target Company Shares held by shareholders of the Target Company who did not tender their shares in the Tender Offer will be a fraction of less than one share, to ensure that only the Tender Offeror will hold all of the Target Company Shares.

The Companies Act stipulates that in the event of a consolidation of shares, if the consolidation of shares results in a fraction of less than one share, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, the shareholders of the Target Company may demand that the Target Company purchases all fractions of less than one share held by them at a fair price, and may file a petition with the court to determine the price of the Target Company Shares.

The Tender Offer does not solicit the support of the shareholders of the Target Company at the Extraordinary Shareholders Meeting.

In addition, in the event that, despite the Tender Offer taking effect, the Tender Offeror does not hold 90% or more of the voting rights of all shareholders of the Target Company, if the Tender Offeror is unable to acquire all of the Share Acquisition Rights in the Tender Offer and the Share Acquisition Rights remain unexercised, the Tender Offeror plans to request that the Target Company encourages the Share Acquisition Rights Holders to waive the Share Acquisition Rights or implement other reasonable procedures necessary for the execution of the Transaction, or implement such procedures itself, but the details thereof have not been determined as of the date of this release. According to the Target Company, the Target Company intends to cooperate with such a request if it is received.

With regard to each of the procedures in ① and ② above, it may take time to implement the procedures or the method of their implementation may change depending on factors such as the status of amendments, enforcement, interpretation by the authorities, etc., of relevant laws and regulations, and the status of the holding of Target Company Shares by the Tender Offeror after the Tender Offer or the status of holding of the Target Company Shares by shareholders of the Target Company other than the Tender Offeror. However, even in such a case, if the Tender Offer takes effect, the method of ultimately delivering money to the shareholders of the Target Company who did not tender their shares in the Tender Offer will be adopted, and in this case, the amount of money to be delivered to the shareholders of the Target Company will be calculated such that it is the same as the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by the relevant shareholders of the Target Company. In addition, if money is to be delivered to Share Acquisition Rights Holders who did not tender in the Tender Offer, the price will be calculated such that it is the same as the Share Acquisition Rights Purchase Price multiplied by the number of the Share Acquisition Rights of the Target Company held by the relevant Share

Acquisition Rights Holders. However, if a petition for determination of the purchase price in relation to the demand to cash out shares, etc., or a petition for determination of the price in relation to a share purchase demand is filed, the court will ultimately determine the purchase price of the Target Company Shares or the purchase price of the Share Acquisition Rights, or the price in relation to the share purchase demand.

The Target Company plans to promptly announce the specific procedures, timing of implementation, and other details in each of the above cases as soon as they are determined after consultation with the Target Company. Shareholders of the Target Company are requested to confirm the tax treatment of tendering in the Tender Offer and each of the procedures described above with tax experts on their own responsibility.

(5) Prospect of delisting and reasons for delisting

As of the date of this release, the Target Company Shares are listed on the Growth Market of the Tokyo Stock Exchange, but since the Tender Offeror has not set an upper limit on the number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Target Company Shares may be delisted through prescribed procedures, in accordance with the criteria for delisting established by the Tokyo Stock Exchange. In addition, even if such criteria are not met at the time the Tender Offer takes effect, if each of the procedures set forth in "(4) Policies on organizational restructuring, etc., after the Tender Offer (matters related to so-called two-step acquisition)" above are implemented after the Tender Offer takes effect, the criteria for delisting will be met and the Target Company Shares will be delisted through the prescribed procedures. After delisting, the Target Company Shares will no longer be able to be traded on the Tokyo Stock Exchange Growth Market.

(6) Matters related to important agreements related to the Tender Offer

① Tender Agreement (Cocoa Asset)

The Tender Offeror has concluded the Tender Agreement (Cocoa Asset) with Cocoa Asset (number of shares held: 2,053,250 shares, ownership ratio: 28.11%) as of March 14, 2025, under which Cocoa Asset has agreed to tender all of the Target Company Shares that it holds in the Tender Offer. There are no prerequisites for Cocoa Asset to make such tender. The Tender Offeror has not agreed to grant or provide any benefit to Cocoa Asset other than the consideration for the tender in the Tender Offer in connection with the Transaction.

② Tender Agreement (Hulic)

The Tender Offeror has concluded the Tender Agreement (Hulic) with Hulic (number of shares held: 672,750 shares, ownership ratio: 9.21%) as of March 14, 2025, under which Hulic has agreed to tender all of the Target Company Shares that it holds in the Tender Offer. There are no prerequisites for Hulic to make such tender. The Tender Offeror has not agreed to grant or provide any benefit to Hulic other than the consideration for the tender in the Tender Offer in connection with the Transaction.

③ Tender Agreement (TOKYO GAS)

The Tender Offeror has concluded the Tender Agreement (TOKYO GAS) with TOKYO GAS (number of shares held: 622,750 shares, ownership ratio: 8.53%) as of March 14, 2025, under which TOKYO GAS has agreed to tender all Target Company Shares that it holds in the Tender Offer. The Tender Offeror has not agreed to grant or provide any benefit to TOKYO GAS other than the consideration for the tender in the Tender Offer in connection with the Transaction. An outline of the Tender Agreement (TOKYO GAS) is as follows:

(a) Upon the conclusion of the Tender Agreement (TOKYO GAS) and until the expiration of the Tender Offer Period, if any third party other than the Tender Offeror submits a proposal (the "Counter-Proposal") involving the acquisition of the Target Company Shares or the Share Acquisition Rights (regardless of the method, including, without limitation, a tender offer, organizational restructuring, or any other means) in exchange for consideration (whether in cash, shares, or any other type) equivalent to an amount exceeding the Tender Offer Price (or, if changed by the Tender Offeror, the changed price) (the "Competing Transaction"), TOKYO GAS shall immediately notify the Tender Offeror of such proposal and its details. TOKYO GAS and the Tender

Offeror may, in such a case, request discussions with the counterparty regarding a potential change of the Tender Offer Price. If the following conditions are met, TOKYO GAS shall not be obligated to tender its shares, and if TOKYO GAS has already so tendered, it may terminate the contract for the purchase of all the Target Company Shares it has tendered pursuant to the Tender Offer: the Counter Proposal constitutes a legally binding proposal to acquire the Target Company Shares (excluding the treasury shares) and the Share Acquisition Rights for consideration (limited to cash) exceeding the Tender Offer Price (or, if changed by the Tender Offeror, the changed price), if the Competing Transaction pertaining to the Counter-Proposal is a tender offer, such tender offer must have actually commenced. It is objectively and reasonably determined that failure to accept the Counter-Proposal would constitute a breach of the duty of care of a prudent manager by the directors of TOKYO GAS; and

(b) TOKYO GAS shall not, directly or indirectly, solicit, propose, provide information, or make an offer to any third party regarding a Competing Transaction; provided, however, that, for the avoidance of doubt, providing information or engaging in discussions in response to any solicitation, proposal, provision of information, or offer from a third party shall not be deemed solicitation, proposal, provision of information, or offer by TOKYO GAS.

2. Overview of purchase, etc.

(1) Overview of the Target Company

①	Name	EcoNaviSta Inc.
②	Address	3-1 Kioicho, Chiyoda-ku, Tokyo
③	Title and name of representative	Representative Director and President Kimihito Watanabe, Representative Director Masashige Sugisaki
④	Content of businesses	Development and provision of an SaaS-type monitoring system for the elderly based on sleep analysis technology
⑤	Capital	1,241 million yen (as of October 31, 2024)
⑥	Date of establishment	November 18, 2009
⑦	Major shareholders and shareholding ratio (as of October 31, 2024) (Note)	Cocoa Asset Co., Ltd. 31.18% Hulic Co., Ltd. 10.22% TOKYO GAS Co., Ltd. 9.46% Custody Bank of Japan, Ltd. (Trust Account) 8.59 % The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) 5.41% The Master Trust Bank of Japan, Ltd. (Trust Account) 5.09% M3, Inc. 3.50% Kimihito Watanabe 2.43% GLORY LTD. 1.52% Shuichi Nakamoto 1.52%
⑧	Relationship between the listed company and the Target Company	
	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Transactional relationship	The Target Company has entered into a business alliance agreement with the Tender Offeror.
	Status of applicability as related party	Not applicable.

(Note) "Major shareholders and shareholding ratio" is quoted from "Status of major shareholders" in the Target Company's

Annual Securities Report for the 15th fiscal year submitted on January 29, 2025.

(2) Schedule, etc.

① Schedule

Date of decision	Friday, March 14, 2025
Date of public notice of commencement of Tender Offer	Monday, March 17, 2025 Electronic public notice will be given, and notification to that effect will be published in the Nihon Keizai Shimbun. (Electronic public notice address: https://disclosure2.edinet-fsa.go.jp/)
Date of submission of Tender Offer Statement	Monday, March 17, 2025

② Period of purchase, etc., in the initial notification

From Monday, March 17, 2025 to Wednesday, May 7, 2025 (34 business days)

③ Possibility of extension at the request of the Target Company

Not applicable.

(3) Price of purchase, etc.

① 2,190 yen per share of common stock

② Share acquisition rights (the share acquisition rights described in (a) through (d) below are collectively referred to as the "Share Acquisition Rights.")

(a) Share acquisition rights issued based on a resolution of the Board of Directors of the Target Company at a meeting on August 2, 2017 ("Second Series Share Acquisition Rights") (the exercise period is from August 3, 2019, to August 2, 2027)

21,150 yen per share acquisition right

(b) Share acquisition rights issued based on a resolution of the Board of Directors of the Target Company at a meeting on September 4, 2020 ("Third Series Share Acquisition Rights") (the exercise period is from September 5, 2022, to September 4, 2030)

18,400 yen per share acquisition right

(c) Share acquisition rights issued based on a resolution of the Board of Directors of the Target Company at a meeting on September 17, 2021 ("Fourth Series Share Acquisition Rights") (the exercise period is from September 18, 2023, to September 17, 2031)

18,230 yen per share acquisition right

(d) Share acquisition rights issued based on a resolution of the Board of Directors of the Target Company at a meeting on August 17, 2022 ("Fifth Series Share Acquisition Rights") (the exercise period is from August 18, 2024, to August 17, 2032)

12,460 yen per share acquisition right

(4) Basis for calculation of the price of purchase, etc.

① Basis of calculation

(Common stock)

In order to ensure the fairness of the Tender Offer Price, when determining the Tender Offer Price, the Tender Offeror requested that Nomura Securities, its financial advisor, calculate the value of the Target Company Shares as a third-party valuation institution independent from the Tender Offeror and the Target Company.

As a result of the examination of the calculation methods for the Tender Offer, Nomura Securities calculated the value of the Target Company Shares using the average market price method because the Target Company Shares are

listed on the Growth Market of the Tokyo Stock Exchange and the DCF method to reflect the status of future business activities in the calculation. The Tender Offeror obtained the Share Valuation Report (Nomura Securities) from Nomura Securities on March 14, 2025. Nomura Securities is not a related party of the Tender Offeror or the Target Company, and does not have any material interest in the Transaction. In addition, since the Tender Offeror has implemented measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest in the course of this Transaction, the Tender Offeror believes that sufficient consideration has been given to the interests of the minority shareholders of the Target Company, and therefore has not obtained a fairness opinion on the Tender Offer Price from Nomura Securities.

According to Nomura Securities, the results of the calculation of the share value per Target Company Share calculated based on each of the above methods are as follows.

Average market price method:	1,502 yen to 1,664 yen
DCF method:	1,944 yen to 3,262 yen

With the average market price method, with a record of March13, 2025, the range of the share value per Target Company Share is calculated to be from 1,502 yen to 1,664 yen, based on the closing price of the Target Company Shares on the Tokyo Stock Exchange Growth Market on the record date of 1,664 yen, the simple average closing price for the period of five business days preceding this date of 1,591 yen, the simple average closing price for the period of one month preceding this date of 1,523 yen, the simple average closing price for the period of three months preceding this date of 1,502 yen, and the simple average closing price for the period of six months preceding this date of 1,586 yen.

Under the DCF method, based on the forecasts of the future earnings of the Target Company from the fiscal year ending October 2025 to the fiscal year ending October 2034, adjusted by the Tender Offeror based on various factors, including the earnings forecasts and investment plan based on the Business Plan (from the fiscal year ending October 2025 to the fiscal year ending October 2034) prepared by the Target Company, the results of due diligence of the Target Company conducted by the Tender Offeror from early December 2024 to late January 2025, the Target Company's annual securities report, summaries of financial results, and financial information published online, the free cash flow expected to be generated by the Target Company from the fiscal year ending October 2025 onward was discounted to its present value at a certain discount rate to analyze the corporate value and share value, and the range of share value per Target Company Share was calculated as 1,944 yen to 3,262 yen. In addition, the perpetual growth rate method and the multiple method are used to calculate the value of the business.The Target Company's future earnings forecasts for the five fiscal years following the Tender Offer, which are used as an assumption under the DCF method, include fiscal years in which significant changes in profit are expected. Specifically, free cash flow is expected to increase significantly for the fiscal year ending October 2025 from a reduction in capital investment. In addition, in order to adapt to changes in the competitive environment, the Target Company will introduce and develop flexible sales strategies, and although there is expected to be a temporary significant decrease in operating income and free cash flow in the fiscal year ending October 2026, a significant increase in operating income and free cash flow is expected between the fiscal year ending October 2027 and the fiscal year ending October 2028 as a result of the realization of the results of the sales strategy. For the fiscal year ending October 2029, a significant decrease in operating income and free cash flow is expected due to the implementation of measures aimed at expanding market share and strengthening brand position as well as capital investment. In addition, the synergies expected to be realized from the execution of the Transaction are not reflected because their impact on earnings is difficult to estimate specifically at this point.

The Tender Offeror ultimately determined that the Tender Offer Price would be 2,190 yen on March 14, 2025, based on the results of discussions and negotiations with the Target Company, comprehensively taking into consideration factors such as the results of the calculation of the value of the Target Company Shares in the Share Valuation Report (Nomura Securities) obtained from Nomura Securities, as well as whether or not the Board of Directors of the Target Company will approve the Tender Offer and the prospect of tenders in the Tender Offer.

The Tender Offer Price of 2,190 yen is the price at which a premium has been added of 31.61% against the closing price of 1,664 yen of the Target Company Shares on the Tokyo Stock Exchange Growth Market on March 13, 2025, the business day immediately preceding the announcement date of the Tender Offer, 43.80% against the simple average closing price of 1,523 yen for the period of one month preceding this date, 45.81% against the simple average closing price of 1,502 yen for the period of three months preceding this date, and 38.08% against the simple average closing price of 1,586 yen for the period of six months preceding this date.

(Share acquisition rights)

As of the date of this release, the exercise price per Target Company Share for each Share Acquisition Right is less than the Tender Offer Price. Accordingly, the Tender Offeror has determined that the Share Acquisition Rights Purchase Price will be the amount obtained by multiplying the difference between the Tender Offer Price of 2,190 yen and the exercise price per Target Company Share underlying each Share Acquisition Right by the number of Target Company Shares underlying each Share Acquisition Right. Specifically, the Tender Offeror has determined that the Share Acquisition Rights Purchase Price will be as follows, respectively: for the Second Series Share Acquisition Rights, 21,150 yen, which is the amount obtained by multiplying 2,115 yen, which is the difference from the exercise price of 75 yen per Target Company Share, by 10; for the Third Series Share Acquisition Rights, 18,400 yen, which is the amount obtained by multiplying 1,840 yen, which is the difference from the exercise price of 350 yen per Target Company Share, by 10; for the Fourth Series Share Acquisition Rights, 18,230 yen, which is the amount obtained by multiplying 1,823 yen, which is the difference from the exercise price of 367 yen per Target Company Share, by 10; and for the Fifth Series Share Acquisition Rights, 12,460 yen, which is the amount obtained by multiplying 1,246 yen, which is the difference from the exercise price of 944 yen per Target Company Share, by 10.

The approval of the Board of Directors of the Target Company is required for the acquisition of any Share Acquisition Rights by transfer. However, in order to enable the transfer of the Share Acquisition Rights, the Target Company, at a meeting of its Board of Directors held on March 14, 2025, passed a resolution to the effect that, subject to the Tender Offer taking effect, the Target Company will comprehensively approve the transfer of the Share Acquisition Rights held by the Share Acquisition Rights Holders to the Tender Offeror through their tender in the Tender Offer, provided they are actually tendered by the Share Acquisition Rights Holders in the Tender Offer, and will amend the content of the share acquisition rights allotment agreement pertaining to the Share Acquisition Rights to allow the transfer of the Share Acquisition Rights with Share Acquisition Rights Holders that wish to transfer their Share Acquisition Rights.

The Tender Offeror has not obtained a share valuation report and fairness opinion from a third-party valuation institution since the Share Acquisition Rights Purchase Price has been determined in the manner described above.

(Note) Nomura Securities assumed that public information and all information provided to Nomura Securities are accurate and complete when calculating the value of the Target Company Shares, and has not independently verified the accuracy and completeness of such information. In addition, it has not conducted its own valuation, appraisal, or assessment of the assets or liabilities (including financial derivatives, off-book assets and liabilities and other contingent liabilities) of the Target Company and its affiliated companies, including analysis and valuations of individual assets and liabilities, nor has it requested a third-party institution to conduct such an appraisal or assessment. It has assumed that the financial forecasts for the Target Company (including profit plans and other information) have been reasonably considered and prepared by the management of the Tender Offeror, based on the best and sincere forecasts and judgments available at this point in time. Nomura Securities' calculations reflect information and economic conditions obtained by Nomura Securities as of March 13, 2025. The sole purpose of Nomura Securities' calculation is to serve as a reference for the Tender Offeror to consider the value of the Target Company Shares.

② Background of calculation

(Background to determination of the Tender Offer Price)

Please refer to item "① Background, purpose, and decision-making process that led to the decision to conduct the Tender Offer" under item "(2) Background, purpose, and decision-making process that led to the decision to conduct the Tender Offer, and management policies after the Tender Offer" of "1. Purpose of purchase, etc." above.

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

Please refer to "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" under "1. Purpose of purchase, etc." above.

③ Relationship with the valuation institution

Nomura Securities, which is the financial advisor (valuation institution) of the Tender Offeror, is not a related party of the Tender Offeror or the Target Company, and does not have any material interest in the Transaction.

(5) Number of share certificates, etc., to be purchased

Number to be purchased	Minimum number to be purchased	Maximum number to be purchased
7,304,743 shares	4,869,800 shares	– shares

(Note 1) If the total number of Tendered Share Certificates, etc., is less than the minimum number of shares, etc., to be purchased (4,869,800 shares), none of the Tendered Share Certificates, etc., will be purchased, etc. If the total number of Tendered Share Certificates, etc., is equal to or exceeds the minimum number of shares, etc., to be purchased, all of the Tendered Share Certificates, etc., will be purchased, etc.

(Note 2) Shares constituting less than one unit of shares are also subject to the Tender Offer. If shareholders exercise their right to demand the purchase of shares constituting less than one unit of shares in accordance with the Companies Act, the Target Company may purchase its own shares during the Tender Offer Period, in accordance with the procedures set forth in laws and regulations.

(Note 3) There are no plans to acquire treasury shares held by the Target Company through the Tender Offer.

(Note 4) The maximum number of share certificates, etc., of the Target Company to be acquired by the Tender Offeror through the Tender Offer will be the number of shares (7,304,743 shares) obtained by adding the maximum number of Target Company Shares that may be issued or transferred by the exercise of share acquisition rights by the end of the Tender Offer Period (including Target Company Shares issued or transferred as a result of the exercise of share acquisition rights from February 1, 2025, to the date of this release) (719,770 shares) to the total number of issued shares (6,585,010 shares) as of January 31, 2025, as stated in the Summary of Financial Results of the Target Company, and subtracting the number of treasury shares held by the Target Company as of January 31, 2025 (37 shares).

(Note 5) The share acquisition rights may be exercised up to the last day of the Tender Offer Period, and any Target Company Shares issued or transferred as a result of such exercise will also be subject to the Tender Offer.

(6) Change in ownership ratio of share certificates, etc., due to the purchase, etc.

Number of voting rights pertaining to share certificates, etc., held by the Tender Offeror before the purchase, etc.	– rights	(Ownership ratio of share certificates, etc., before the purchase, etc.: –%)
Number of voting rights pertaining to share certificates, etc., held by the specially related parties before the purchase, etc.	– rights	(Ownership ratio of share certificates, etc., before the purchase, etc.: –%)

Number of voting rights pertaining to share certificates, etc., held by the Tender Offeror after the purchase, etc.	73,047 rights	(Ownership ratio of share certificates, etc., after the purchase, etc.: 100.00%)
Number of voting rights pertaining to share certificates, etc., held by the specially related parties after the purchase, etc.	– rights	(Ownership ratio of share certificates, etc., after the purchase, etc.: –%)
Number of voting rights held by all shareholders, etc., of the Target Company	65,803 rights	

(Note 1) The "Number of voting rights pertaining to share certificates, etc., held by the specially related parties before the purchase, etc." and "Number of voting rights pertaining to share certificates, etc., held by the specially related parties after the purchase, etc." represent the total number of voting rights pertaining to share certificates, etc., held by specially related parties (however, among specially related parties, in the calculation of the ownership ratio of share certificates, etc., in each item of Article 27-2, paragraph (1) of the Act, persons who are excluded from the list of specially related parties pursuant to Article 3, paragraph (2), item (i) of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990; including subsequent revisions; the "Cabinet Office Order") are excluded). In addition, if in the future, any corrections are required after confirming the share certificates, etc., of the Target Company held by specially related parties, the Tender Offeror will promptly disclose the details of the corrections.

(Note 2) The "Number of voting rights pertaining to share certificates, etc., held by the Tender Offeror after the purchase, etc." represents the number of voting rights (73,047 voting rights) pertaining to the number of shares to be purchased (7,304,743 shares) in the Tender Offer, as described in "(5) Number of share certificates, etc., to be purchased" above.

(Note 3) The "Number of voting rights held by all shareholders, etc., of the Target Company" represents the number of voting rights held by all the shareholders of the Target Company as of October 31, 2024 as stated in the Annual Securities Report for the 15th fiscal year submitted by the Target Company on January 29, 2025 (the number is stated based on one unit consisting of 100 shares). Provided, however, that since shares constituting less than one unit of shares and Target Company Shares issued or transferred upon the exercise of the Share Acquisition Rights are also subject to purchase, etc., in the Tender Offer, the "Ownership ratio of share certificates, etc., before the purchase, etc." and "Ownership ratio of share certificates, etc., after the purchase, etc." are calculated using the number of voting rights (73,047 voting rights) pertaining to the Total Number of Shares after Allowing for Dilutive Shares (7,304,743 shares) as the denominator.

(Note 4) "Ownership ratio of share certificates, etc., before the purchase, etc." and "Ownership ratio of share certificates, etc., after the purchase, etc." are rounded to the second decimal place.

(7) Purchase amount 15,997,387,170 yen

(Note) The purchase amount is the amount obtained by multiplying the number of shares to be purchased (7,304,743 shares) by the Tender Offer Price (2,190 yen).

(8) Method of settlement

① Name and location of the head office of the financial instruments business operator, bank, etc., that will perform settlement for the purchase, etc.

Nomura Securities Co., Ltd. 1-13-1 Nihonbashi, Chuo-ku, Tokyo

② Start date of settlement

Wednesday, May 14, 2025

③ Method of settlement

Without delay after the end of the Tender Offer Period, a written notice of purchase, etc., through the Tender Offer will be mailed to the addresses of persons who have accepted the offer to purchase, etc., or who have offered to sell, etc., their share certificates, etc., in relation to the Tender Offer ("Tendering Shareholders, etc.") (in the case of a shareholder, etc. (including corporate shareholders, etc.) who is a resident of a foreign country and does not have an account that allows transactions with the Tender Offer Agent, a standing proxy).

The purchase will be made in cash. Tendering Shareholders, etc., can receive the proceeds from sale in the Tender Offer without delay after the commencement date of settlement, by the method designated by the Tendering Shareholders, etc., such as remittance (remittance fees may be incurred).

③ Method of returning share certificates, etc.

If the Tender Offeror decides not to purchase all of the Tendered Share Certificates, etc., based on the conditions set forth in item "① Existence and details of conditions set forth in each item of Article 27-13, paragraph (4) of the Act" and item "② Conditions for withdrawal, etc., of the Tender Offer, details thereof, and method of disclosure of withdrawal, etc." under "(9) Other conditions and methods of purchase, etc." below, any share certificates, etc., to be returned shall be returned promptly on or after two business days following the last day of the Tender Offer Period (or, if the Tender Offer is withdrawn, etc., on or after the business day following the withdrawal, etc.). Shares to be returned will be returned to the accounts of the Tendering Shareholders, etc., with the Tender Offer Agent through the return of the shares to the record immediately before they were tendered (when shares will be transferred to the accounts of Tendering Shareholders, etc., opened at other financial instruments business operators, etc., please check with the head office or any branch office in Japan of the Tender Offer Agent that accepted the tender). With regard to share acquisition rights, the documents submitted at the time of tendering the share acquisition rights will be returned by delivery to the Tendering Shareholders, etc., or mailing to the addresses of the Tendering Shareholders, etc., in accordance with the respective instructions of each Tendering Shareholder, etc.

(9) Other conditions and methods of purchase, etc.

① Existence and details of conditions set forth in each item of Article 27-13, paragraph (4) of the Act

If the total number of Tendered Share Certificates, etc., is less than the minimum number of shares, etc., to be purchased (4,869,800 shares), none of the Tendered Share Certificates, etc., will be purchased, etc. If the total number of Tendered Share Certificates, etc., is equal to or exceeds the minimum number of shares, etc., to be purchased (4,869,800 shares), all of the Tendered Share Certificates, etc., will be purchased, etc.

② Conditions for withdrawal, etc., of the Tender Offer, details thereof, and method of disclosure of withdrawal, etc.

If any of the circumstances set forth in Article 14, paragraph (1), item (i) (a) to (j) and (m) to (s), item (iii) (a) to (h), and paragraph (2), item (iii) to (vi) of the same Article of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965; including subsequent revisions; the "Order") arise, the Tender Offer may be withdrawn, etc. If a withdrawal, etc., is to be conducted, electronic public notice will be given, and notification to that effect will be published in the Nihon Keizai Shimbun. Provided, however, that if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method provided for in Article 20 of the Cabinet Office Order and issue a public notice immediately thereafter.

③ Existence or non-existence of conditions for reduction of the price for purchase, etc., details thereof, and method of disclosure of the reduction

Pursuant to the provisions of Article 27-6, paragraph (1), item (i) of the Act, if the Target Company performs the

acts set forth in Article 13, paragraph (1) of the Order during the Tender Offer Period, the price for the purchase, etc., may be reduced in accordance with the standards set forth in Article 19, paragraph (1) of the Cabinet Office Order. If the price for the purchase, etc., is to be lowered, electronic public notice will be given, and notification to that effect will be published in the Nihon Keizai Shimbun. Provided, however, that if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method provided for in Article 20 of the Cabinet Office Order and issue a public notice immediately thereafter. If the price for the purchase, etc., is lowered, Tendered Share Certificates, etc., prior to the date of the public notice will also be purchased at the reduced price for the purchase, etc.

④ Matters concerning the right of Tendering Shareholders, etc., to cancel the agreement

Tendering Shareholders, etc., may cancel agreements related to the Tender Offer at any time during the Tender Offer Period. If you wish to cancel an agreement, please deliver or mail a written document stating that you intend to cancel the agreement related to the Tender Offer (the "Written Cancellation") to the Tender Offer Agent's head office or branch office in Japan that accepted the application to tender by no later than 3:30 pm on the last day of the Tender Offer Period. Provided, however, that this will be subject to the condition that when mailing this document, the Written Cancellation shall arrive by no later than 3:30 pm on the last day of the Tender Offer Period.

To cancel an agreement submitted through the online service, please use the online service (https://hometrade.nomura.co.jp/) or deliver or mail the Written Cancellation. When using the online service, please complete the cancellation procedure by no later than 3:30 pm on the last day of the Tender Offer Period, in accordance with the method indicated on the screen. Please note that you cannot cancel an agreement submitted at a dealer through the online service. When delivering or mailing the Written Cancellation, please submit a request for Written Cancellation to the dealer in advance, and deliver or mail the Written Cancellation to the dealer by no later than 3:30 pm on the last day of the Tender Offer Period. Provided, however, that this will be subject to the condition that when mailing this document, the Written Cancellation shall arrive by no later than 3:30 pm on the last day of the Tender Offer Period. Even if the Tendering Shareholders, etc., cancel the agreement, the Tender Offeror will not request the Tendering Shareholders, etc., to pay damages or penalties. In addition, expenses required for the return of the Tendered Share Certificates, etc., shall be borne by the Tender Offeror. If a request for cancellation is made, the Tendered Share Certificates, etc., will be returned in accordance with the method described in item "④ Method of returning share certificates, etc." under "(8) Method of settlement" above, promptly after the completion of the procedures pertaining to the request for cancellation.

⑤ Method of disclosure when the terms of purchase, etc., have been changed

During the Tender Offer Period, the Tender Offeror may change the terms of the purchase, etc., except in cases prohibited by Article 27-6, paragraph (1) of the Act and Article 13, paragraph (2) of the Order. If the terms of the purchase, etc., are to be changed, electronic public notice of the details of the changes, etc. will be given, and notification to that effect will be published in the Nihon Keizai Shimbun. Provided, however, that if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method provided for in Article 20 of the Cabinet Office Order and issue a public notice immediately thereafter. If the terms for the purchase, etc., are changed, Tendered Share Certificates, etc., prior to the date of the public notice will also be purchased at the changed terms for the purchase, etc.

⑥ Method of disclosure when an Amended Statement is submitted

If an Amended Statement is submitted to the Director-General of the Kanto Finance Bureau (provided, however, that this excludes cases provided for in the proviso of Article 27-8, paragraph (11) of the Act), the Tender Offeror will immediately make public any parts of the content in the Amended Statement that relate to the content stated in the public notice of the commencement of the Tender Offer, by the method provided for in Article 20 of the Cabinet Office Order. In addition, the Tender Offer Explanation will be amended immediately, and the amended Tender Offer Explanation will be delivered to Tendering Shareholders, etc., to whom the Tender Offer Explanation has already

been delivered. Provided, however, that if the scope of the amendment is limited, the Tender Offeror will complete the amendment by preparing a document stating the reason for the amendment, the matters amended, and the content after the amendment, and deliver the document to the Tendering Shareholders, etc.

⑦ Method of disclosure of the results of the Tender Offer

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

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

Monday, March 17, 2025

(11) Tender Offer Agent

Nomura Securities Co., Ltd. 1-13-1 Nihonbashi, Chuo-ku, Tokyo

3. Policies, etc., and future outlook after the Tender Offer

For information about policies, etc., and the future outlook after the Tender Offer, please refer to "(2) Background, purpose, and decision-making process that led to the decision to conduct the Tender Offer, and management policies after the Tender Offer," "(4) Policies on organizational restructuring, etc., after the Tender Offer (matters related to so-called two-step acquisition)," and "(5) Prospect of delisting and reasons for delisting" under "1. Purpose of purchase, etc." above.

4. Other

(1) Existence or non-existence of agreement between the Tender Offeror and the Target Company or its officers, and the details thereof

① Existence or non-existence of transactions between the Tender Offeror and the Target Company, and the details thereof

The Tender Offeror and the Target Company entered into a business consignment agreement on June 6, 2024. The purpose of this agreement is for the Tender Offeror to entrust operations to the Target Company, such as nursing facility coordination, implementation of tests, etc., in nursing facilities, and post-implementation support, and for the Target Company to smoothly execute the operations entrusted to it by the Tender Offeror.

In addition, the Tender Offeror and the Target Company entered into a business alliance agreement on July 24, 2024. The purpose of this agreement is to promote an early response and support methods for dementia and mild cognitive impairment (MCI) utilizing the expertise of both companies in nursing facilities, etc., and to promote joint research, etc., utilizing their respective products and resources in the ecosystem, resulting in corporate growth and expansion in social contribution for each company.

② Existence or non-existence of transactions between the Tender Offeror and the officers of the Target Company, and the details thereof

Not applicable.

(2) Existence or non-existence of agreement between the Tender Offeror and the Target Company or its officers, and the details thereof

① Approval of the Tender Offer and recommendation to tender

According to the Target Company Press Release, at a meeting of the Board of Directors of the Target Company held on March 14, 2025, the Target Company resolved to express an opinion of support for the Tender Offer and to recommend that shareholders and Share Acquisition Rights Holders of the Target Company tender their shares in the

Tender Offer. For details, please refer to the Target Company Press Release and item "⑤ Approval of all of the Target Company's Directors who have no conflicts of interest and opinion without objection of all of the Target Company's Audit & Supervisory Board Members who have no conflicts of interest" under "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" in "1. Purpose of purchase, etc." above.

(3) Other information deemed necessary for investors to determine whether or not to tender shares in the purchase, etc.

① Announcement of "Summary of Financial Results for the First Quarter of the Fiscal Year Ending October 2025 [Japanese GAAP] (Unconsolidated)"

The Target Company released its summary of financial results on March 14, 2025. An outline of this announcement is as follows. This content has not received a quarterly review by an audit corporation pursuant to the provisions of Article 193-2, paragraph (1) of the Act. In addition, the following outline of the announcement is a partial excerpt from the announcement made by the Target Company. For details, please refer to the content of the announcement.

(i) Status of income (unconsolidated)

Accounting period	First quarter of the fiscal year ending October 2025 (November 1, 2024 to January 31, 2025)
Net sales	392 million yen
Operating income	173 million yen
Ordinary income	173 million yen
Net income	119 million yen

(ii) Status per share (unconsolidated)

Accounting period	First quarter of the fiscal year ending October 2025 (November 1, 2024 to January 31, 2025)
Basic earnings per share	18.19 yen
Dividend per share	– yen

② Announcement of "Notice of Revision of Dividend Forecast (No Dividend) for the Fiscal Year Ending October 2025"

At a meeting of the Board of Directors held on March 14, 2025, the Target Company resolved to revise its dividend forecast for the fiscal year ending October 2025 and to not pay interim and year-end dividends for the fiscal year ending October 2025, subject to the Tender Offer taking effect. For details, please refer to the content of the relevant announcement.

③ Announcement of "Notice of Dissolution of Business Alliance"

The Target Company announced the "Notice of Dissolution of Business Alliance" on March 14, 2025. For details, please refer to the content of the relevant announcement.

End

[Solicitation regulations]

This press release is a press release to announce the Tender Offer to the general public, and has not been prepared for the purpose of soliciting a sale. When applying to sell, please ensure you refer to the Tender Offer Explanation related to the Tender Offer, and apply at your own discretion. This press release and the reference documents attached to this press release do not constitute an application or solicitation of a sale or solicitation of an application to purchase securities, nor does it constitute a part of such application or solicitation, and neither this press release (or any part thereof) nor the fact of its distribution shall constitute the basis for any agreement relating to the Tender Offer, nor may it be relied upon when concluding an agreement.

[United States regulations]

The Tender Offer applies to the shares of the Target Company, which is a company incorporated in Japan. The Tender Offer will be conducted in accordance with the procedures and information disclosure standards set forth in the Financial Instruments and Exchange Act of Japan, which are not necessarily the same as the procedures and information disclosure standards applicable in the United States. In particular, Section 13 (e) or Section 14 (d) of the United States Securities Exchange Act of 1934 (including subsequent revisions; the same applies hereinafter) and regulations based on these clauses shall not apply to the Tender Offer, and the Tender Offer shall not be in accordance with these procedures and standards. The financial information contained or referred to in this press release and the reference documents attached to this press release have been prepared in accordance with Japanese GAAP, and are not necessarily equivalent to financial statements prepared in accordance with U.S. GAAP. In addition, because the Tender Offeror and the Target Company are incorporated outside the United States and all or some of their officers reside outside the United States, it may be difficult to exercise any rights or claims that may be asserted based on securities laws and regulations in the United States. Additionally, it may not be possible to initiate legal proceedings in a court outside the United States against a corporation outside the United States or its officers based on a violation of securities laws and regulations in the United States. Furthermore, corporations outside the United States and their affiliates may not be subject to the jurisdiction of courts in the United States. In addition, there is no guarantee that shareholders will be able to compel corporations outside the United States and their affiliates to comply with the jurisdiction of courts in the United States.

Unless otherwise stated, all procedures related to the Tender Offer shall be conducted in the Japanese language. All or part of the documents related to the Tender Offer will be prepared in English, but if there is any discrepancy between the English documents and the Japanese documents, the Japanese documents will prevail.

The Tender Offeror, the financial advisors of the Tender Offeror and the Target Company, and the Tender Offer Agent (including related parties thereof) may, in the ordinary course of their business and to the extent permitted by the laws and regulations related to financial instruments transactions in Japan and other applicable laws and regulations, purchase Target Company Shares or take other actions to that end for their own account or for the accounts of their customers prior to the commencement of the Tender Offer or during the Tender Offer Period in the Tender Offer, regardless of the Tender Offer, in accordance with the requirements of Rule 14e-5 (b) of the Securities Exchange Act of 1934 of the United States. If such information related to a purchase is disclosed in Japan, it will also be disclosed in English on the website of the party making the purchase (or other disclosure method).

If shareholders exercise their right to demand the purchase of shares constituting less than one unit of shares in accordance with the Companies Act, the Target Company may purchase its own shares during the Tender Offer Period, in accordance with the procedures set forth in laws and regulations.

[Forward-looking statements]

This press release and the reference documents attached to this press release contain "forward-looking statements," as defined in Section 27A of the Securities Act of 1933 (including subsequent revisions) and Section 21E of the Securities Exchange Act of 1934. Known and unknown risks, uncertainties, and other factors may cause actual results to differ materially from the forecasts and other information expressed or implied as "forward-looking statements." The Tender Offeror, the Target Company, or affiliates thereof cannot provide any assurance that the forecasts and other information expressed or implied as "forward-looking statements" will be correct as a result. The "forward-looking statements" contained in this press release and the reference documents attached to this press release have been prepared based on information available to the Tender Offeror as of the date of this release, and unless required by laws and regulations, the Tender Offeror, the Target Company or its affiliates do not accept any obligation to update or revise the statements to reflect future events or circumstances.

[Other countries]

In some countries or regions, there may be legal restrictions on the announcement, publication, or distribution of this press release. If such cases, please be aware of and comply with these restrictions. This press release shall not constitute solicitation of an application to purchase, etc., or an application to sell, etc., share certificates in connection with the Tender Offer, and shall be deemed only to be the distribution of materials for informational purposes.